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EFFECT OF CUSTOMER VALUE ON CUSTOMER LOYALTY THROUGH CUSTOMER SATISFACTION

By

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Abstract

This study aims to determine the effect of customer value on customer loyalty through customer satisfaction. This research was conducted on customers of ACP Seven products distributed by PT Sembilan Cipta Karya Padang. The analytical method used is the Structural Equation Model (SEM) which is processed by Smart PLS. In testing the first hypothesis, it is found that customer value has no significant effect on loyalty, in the second hypothesis testing, it is found that customer value has an effect on customer loyalty, while in the third hypothesis, it is found that customer satisfaction has a positive and significant effect on customer loyalty. In testing the fourth hypothesis, it was found that customer values had a positive and significant effect on customer loyalty after being mediated by customer satisfaction in using ACP Seven products distributed by PT Sembilan Cipta Karya Padang.

Jel Classification :

P36; P36; D11

Keywords: Customer Value, Customer Satisfaction & Customer Loyalty

INTRODUCTION

According to Hariandy, (2018) The stable condition of the economy of West Sumatra, in the end, did have an impact on the growth of property investment there. The development of property in Padang 2017 is better than in 2016, from Independent Property Padang to Rumah.com. That, continued, can be seen from several things where West Sumatra or Padang has been open for the entry of large retailers such as Transmart.

While the construction of the road from the Minangkabau International Airport to the Port of Teluk Bayur also helped spur economic growth in West Sumatra, especially the city of Padang. The property sector itself is unique in West Sumatra with the division of zones, namely the red zone, the green zone, and the yellow zone. This is done by the Regional Government to provide convenience for property businesses in doing business in Padang. Since the earthquake that struck Padang a few years ago, in the end, it has made the red zone a zone that must be avoided for the development of the property sector. The location of the red zone itself is an area close to the coast so it is feared that if a tsunami occurs, the red zone will be the earliest location to be affected. Because of the zoning system, the green zone becomes the prime location for the development and development of the property business in Padang. Take for example in the housing sector with a population exodus from the red zone to the green zone. This of course has a positive impact on the housing business in the green zone.

One of the products needed to enhance the appearance of construction buildings is the Aluminum Composite Panel (ACP). ACP products are known as one of the building materials and are an additional requirement for consultants, contractors, and property entrepreneurs.

ACP product customers exist for Individuals such as shops that have been renovated by their owners, and interiors in private homes such as home partitions and kitchen sets for private homes, for exterior private homes there are also walls, beams in houses, and canopy coverings to enhance the appearance of the house. Meanwhile, Non-Individual customers such as consultants and contractors undertaking projects to create Government, SOE, and Private offices. The use of ACP in construction activities can provide added value to buildings, such as beautifying the appearance of buildings, making buildings more elegant and artistic. The main customers of ACP are consultants and contractors undertaking projects to create Government, SOE, and Private offices. And the types of ACP are as follows: Type of Polyester or PE which is widely used for Interior needs, PVDF (Poly Vinyl De Flouride) type which is commonly used on the exterior.

The aluminum composite panel (ACP) is a special material that is generally used to coat the walls of buildings. ACP is made of aluminum with composite materials. One brand of ACP products is ACP Seven which is produced by PT Seven Indonesia while the distribution of ACP seven products for the SUMBAR region is carried out by PT Sembilan Cipta Karya. ACP Seven products have been marketed throughout Indonesia, one of ACP Seven's marketing areas is West Sumatra.

PT Sembilan Cipta Karya has a vision that is to make PT. Nine Cipta Karya as one of the most trusted professional supplier companies that can provide the best service and support economic growth plays an active role in national development. While the mission of PT. Nine Cipta Karya is collaborating with all consultants, contractors both private and state-owned in providing

professional services in meeting the development needs of the national construction.

ACP Seven's product segmentation at PT. Sembilan Cipta Karya is demographically viewed from the variable grouping its customers based on the type of work and income because the price of sheets and installation of ACP is quite expensive, the price of sheets of ACP seven ranges from Rp. 720,000 - Rp. 1,200,000 for building exteriors. For the interior price of Rp. 515,000. As for the installation of ACP Seven exterior Rp 650,000 / m and Rp 550,000 / m for the interior. Geographically, ACP Seven products are marketed to urban or urban areas that have a greater income level than rural areas, because in urban areas these potential customers to use ACP Seven products are higher. Psychographically, ACP Seven's products are aimed at government offices, BUMN, private, and

shophouses, so that the building's appearance is more elegant and trendy. So that the appearance of urban areas is more contemporary, because urban lifestyles now create more elegant and trendy urban settings. Behaviorally the ACP Seven product is intended for urban areas because we can see the mushrooming trend of the use of ACP in buildings in urban areas, this is the ACP Seven sales target.

In marketing ACP Seven PT Sembilan Cipta Karya's products, they are not only competing but competing with other ACP products such as ACP Maco and ACP Jiyu. The presence of other ACP product brands creates tighter business competition which certainly benefits the customer. In this case, the customer becomes more selective in choosing quality ACP products. In accordance with the data that the researchers obtained, the ACP product competition map in Padang City can be seen in Figure 1 below:

Figure 1. Development of Sales of Several ACP Products in Padang City

Based on Figure, it can be seen that ACP Seven sales in Padang City are still the highest, but the number of ACP Seven sales continues to decline, especially entering the first semester of 2017 where January was 51.43, February increased by 53.43, March decreased by 52.53, April

decreased by 51.43, May increased by 52.12, June increased by 53.12, July decreased by 49.54, August decreased by 48.54, September decreased by 47.43, October increased by 49.43, November decreased by 46.32, and December decreased increased by 47.32. This

situation is contrary to the sales of ACP JIYU and MACO, the two ACP products continue to experience increased sales. Even though ACP Seven has advantages compared to other ACPs such as ACP Seven has distribution offices in each province while other ACPs do not, ACP Seven has a PPG (Pittsburgh Paints) color certificate where quality paints are commonly used for European sports cars. Also, ACP Seven has a 15-year color guarantee certificate for ACP PVDF (exterior) types. ACP Seven has received Global Brand-Worldwide recognition certificates, ISO 9001, and ISO 14001 - Quality you can trust. The choice of colors for ACP Seven products is higher compared to other brands, with 74 color variants. This phenomenon shows the fierce business competition that occurs in the ACP product business, when ACP Seven sales continue to fluctuate, indicates that there are competitors who have increased sales or market share, thus threatening the position of ACP Seven, which has been the market leader in ACP products in Padang City in particular and West Sumatra in general.

To encourage increased sales of ACP products in the city of Padang, companies or distributors need to encourage customer loyalty to use ACP products. According to Wirtz & Lovelock, (2011) customer loyalty is a commitment that customers have to use only one brand of a product and rule out the existence of other product brands. According to Griffin & Moorhead, (2017), a customer will be considered loyal in using a product brand when they have regularly made purchases or uses on a brand, other than that someone has been assessed as having loyalty to a particular product brand when they have bought and used a product brand more or less twice. Loyalty that is formed in the customer in a brand will encourage the preservation of the brand's existence within a certain period.

Dölarslan, (2014) customer loyalty can be influenced by satisfaction and benefits felt by customers in using a product brand. Besides, Wiradarma & Gede Suasana, (2019) revealed that customer loyalty in using a brand can be influenced by customer value and the satisfaction felt by customers in using a brand. When the value or benefits perceived by the customer are always able to provide ongoing satisfaction, then the commitment of customers to re-use the same product brand will continue to form.

The first wish or desire a customer has when using a brand is to get value or benefit from the brand of the product they are using. Tjiptono, Fandy & Gregorius, (2012) revealed that customer value is a perceived benefit to customers in using a brand. When the value and benefits felt by customers are getting stronger, the customer value will be strong so that it will encourage them to continue to use the same product brand. When the values and benefits are maintained, customer loyalty in using a brand, especially ACP will continue to increase.

The results of research that discuss the influence of value on customer loyalty have been done by several previous studies including Palilati, (2007) finding that customer value has a positive effect on customer loyalty in using the Sulawesi Development Bank Savings. Similar findings were also obtained by Suliyanto, (2013) who found that customer value had a positive effect on customer loyalty in using a product brand. Besides, the results of research Dewita Hia, (2016) found that the value or benefits felt by customers have a positive effect on customer loyalty in using The Ladies Padang products. The results obtained indicate the consistency of the benefits felt by customers in using a brand will encourage repeated actions in buying or using a product brand.

High customer value will be seen from the benefits felt by customers. When

the desires or expectations of customers can be realized in the form of feelings of pleasure and comfort in using the product brand will encourage the formation of satisfaction. Feeling satisfaction with each use of a product brand will encourage these customers to continue to use the same product brand (Dölarslan, 2014). When there is consistency or commitment in the customer to continue to use a product brand shows that the customer already has loyalty to the product brand.

According to Wirtz & Lovelock, (2011) satisfaction is a feeling of joy and pleasure that is felt by customers in using a brand. Satisfaction will be formed when customers feel all the desires or expectations that are expected to be fulfilled. Feelings of joy and excitement due to consistent satisfaction will create a commitment in customers to continue to use the same product brand when the needs of the product brand re-emerge. Following the description that has been described the researchers suspect that customer satisfaction has a positive effect on customer loyalty.

The research results of Dwi, (2012) found that satisfaction had a positive and significant effect on customer loyalty in using private banks in Malaysia. Consistent results obtained by Palilati, (2007) found that satisfaction affects customer loyalty in using a product or service. Satisfaction is felt constantly by each customer using the same service Yuwono & Hatane, (2011) found that satisfaction has a positive effect on customer loyalty in using a product. The findings obtained indicate the consistency of customer satisfaction felt to encourage increased customer commitment in using the same product brand, thereby creating loyalty to the product brand used.

The results of research that discuss the influence of customer value on customer loyalty after satisfaction as a moderator conducted by several researchers including Ibojo & Dunmade, (2016) found that customer value has a positive effect on customer loyalty after being moderated by customer satisfaction. The same research findings obtained by Palilati, (2007) who found that customer value has a positive effect on customer loyalty after being moderated by customer satisfaction. Perceived values and benefits create a match between the level of importance or expectation and the performance or reality perceived by the customer. Because the benefits that drive satisfaction in the customer, and can always be maintained from time to time will create a commitment in the customer to continue to use the same product brand for a certain period. The results of research conducted by Yuwono & Adrian, (2011) found that customer value first affects customer satisfaction, and then the combination formed between the value and satisfaction felt by the customer will create loyalty in the customer to continue to use the same product brand in a certain period.

METHODS

This type of research seen from the methods used is quantitative research methods. Where quantitative research methods can be used to examine a particular population or sample, data collection uses research instruments, quantitative/statistical data analysis, intending to test the established hypothesis (Sugiyono, 2014). In this study, the sample is non-individual customers who use ACP seven products and are domiciled in West Sumatra. In general, the population used in the study is shown in Table 1 below:

Table 1. Number of Non-individual and Individual Customers From 2017 to 2019

Years	Customer Category		Accumulations
	Non Personality	Personality	
2017	85	15	100
2018	70	30	100
2019	80	20	100
Total	235	65	300

Source; ACP Seven CV Sembilan Cipta Karya (2020)

Following the data obtained, it is seen that all of the total customers of ACP Seven PT Sembilan Cipta Karya numbered 300 people from 2017 to 2019 ago. In this study, the sample was non-individual customers who used ACP Seven products distributed by PT Sembilan Cipta Karya Padang. In determining the sample size, the probability sampling method is used. In this method, the sample size can be determined using formulas. In this study the formula used to determine sample size is Slovin. In general, the calculation can be seen below:

$$n = \frac{N}{1 + N(a^2)}$$

$$n = \frac{235}{1 + 235(0.10^2)}$$

$$n = \frac{235}{1 + 2.35}$$

$$n = 70.146$$

Following the sample size sought by using the Slovin formula, the number of samples used was 70 non-individual customers of ACP Seven PT Sembilan Cipta Karya Padang products. The operational definition of a variable is a definition given to a variable by giving meaning or specifying an activity or providing an operation needed to measure the variable (Sugiyono, 2014). In this study, the first variable used is customer loyalty. In measuring these variables used indicators adopted from Brankus (2009) consisting of repurchasing the same product, product brand as the first choice, not buying another product brand, recommending it to others, and committing

to continue using the same product brand. The first independent variable is customer satisfaction which shows the perceived conformity of the customer between the level of importance and expectations he hopes to use ACP Seven products. In measuring customer satisfaction used indicators were adopted from Demoulin & Djelassi, (2016) consisting of meeting customer expectations, feeling satisfied in using the product, and the desire to return to using the same brand. The third variable used in this study is customer value which shows the perceived benefits of customers in using a brand. In measuring customer value, indicators adopted from Velázquez, Blasco, & Gil Saura, (2015) are used, consisting of excellence, efficiency, entertainment, and aesthetics.

To prove the truth of the hypothesis the Structural Equation Model analysis model is used which is processed using Smart PLS version 3.29. Hypothesis testing tools used are using the t-statistic test which is tested into two types of effects, namely direct and independent effects. Stages of hypothesis testing are done using standard 1.96 compared to the t-statistic value or comparing the P-value with the level of confident value that is set

RESULT AND DISSCUSION

Following the description of data processing that has been done obtained narration related to the demographic of the respondents as shown in Table 2 below:

Table 2. Demographics of Respondents

Demographic	Amount	Percentage
Gendre		
Man	52	94.55
Female	3	5.45
Age		
25 – 30 Years Old	25	45.45
31 – 35 Years Old	3	5.45
36 – 40 Years Old	6	10.91
41 – 45 Years Old	19	34.55
> 45 Years Old	2	3.64
Position		
Director	13	18.57
Project Manager	21	30.00
Site Manager	21	30.00

Demographic	Amount	Percentage
Education		
Senior High School	0	0.00
Diploma	0	0.00
Bachelor	51	92.73
Master	4	7.27
Frequency of Purchase		
3 Times	5	9.09
4 Times	16	29.09
5 Times	17	30.91
> 5 Times	17	30.91
Client Company Name		
Dinas Kesehatan	3	5.45
IAI	1	1.82
PPTK PUPR	1	1.82
PT Adhy Karya	3	5.45
PT Anirindo	1	1.82
PT Budi Jaya	3	5.45
PT Galvin	2	3.64
PT Multikarya Mandiri	1	1.82
PT Grafos	2	3.64
PT Hari Putra	2	3.64
PT Jayapura Tekikindo	2	3.64
PT Lestari Mukti Jaya	4	7.27
PT MC	3	5.45
PT Pulau Air Cemerlang	2	3.64
PT Putra Mandiri	3	5.45
PT Restu Graha	3	5.45
PT Rimbo Paraduan	1	1.82
PT Sas Bunaiya Inovation	3	5.45
PT Sasmita Jaya	5	9.09
PT Widya Karya	4	7.27
Total	55	100

Source; Observation Data (2020)

Following the Table it can be seen that the majority of respondents are male gender, amounting to 52 people or 94.55% of the total respondents while the remaining 3 people or 5.45% others are female. If observed the age level, it is known that most of the respondents have an age level between 25 years to 30 years, amounting to 25 people or 45.45% while respondents with the least number are those aged over 45 years, amounting to 2 respondents or 3.64% of the total respondent. Based on the demographic description of respondents based on gender and age it can be concluded that the majority of respondents are dominated by men who are still relatively young.

Following the survey that has been conducted, it is known that most of the respondents have positions as the project manager and each site manager amounts to 21 people or 30% of the total respondents, while 13 people or 18.57% of other respondents have positions as directors. Following the field survey that has been conducted it is also known that the majority of respondents have formal education at the Bachelor level (S1), amounting to 51 people or 92.73% while

the rest have formal education at the level of S2, amounting to 4 people, 7.27% of the total respondents. Following the narrative description of the respondents' demographic identification results, it can be concluded that in general the respondents have important positions or positions such as project managers, site managers, and directors and have a relatively high level of education.

Based on the data tabulation process that has been done it is known that most respondents representing certain institutions have purchased ACP Seven products through PT Sembilan Cipta Karya Padang as much as five to more than five times, thus the researchers conclude that the respondents used in this study have committed to continue to use ACP Seven PT Sembilan Cipta Karya Padang products. The first stage of testing is to test the accuracy of statement item selection using outer loading. Where outlier loading each statement item must be a value above 0.70 (Hair, Black, Babin, & Anderson, 2014). Based on the results of data processing that has been done, a summary of the results can be seen in Table 3 below:

Table 3. Outer Loading Test Results

Kode Item	Customer value	Kepuasan Pelanggan	Loyalty Pelanggan
CV ₁	0.777		
CV ₂	0.751		
CV ₃	0.773		
CV ₄	0.817		
CV ₅	0.855		
CV ₆	0.761		
CV ₇	0.703		
CV ₈	0.732		
CV ₉	0.781		
KP ₁		0.921	
KP ₂		0.877	
KP ₃		0.793	
LOY ₁			0.900
LOY ₂			0.846
LOY ₃			0.910
LOY ₄			0.895
LOY ₅			0.845

Source: Primary Data Processing (2020)

Following the outer loading test results, it is known that each statement item used to measure all research variables

used in the model has a loading factor above or equal to 0.70 so it can be concluded that all research variables have

been supported by the right statement items so that they can continue to be used into the data processing stage further. The second stage of the test requirements is to test Cronbach, Alpha (≥ 0.70), Composite

Reliability (> 0.70), and Average Variance Extracted (AVE) which must be > 0.50 . Based on the results of data processing that has been done, a summary can be seen in Table 4 below:

Table 4. Outer Loading Test Results

Variable	Cronbach's Alpha	Composite Reliability	AVE
Customer value	0.916	0.930	0.598
Customer satisfaction	0.830	0.899	0.749
Customer loyalty	0.927	0.945	0.774

Source: Primary Data Processing (2020)

Based on the test results it appears that the customer value variable has a Cronbach's alpha of 0.916. The Cronbach's Alpha coefficient obtained is above 0.70, besides that the composite reliability value is 0.930, the coefficient has also been above or equal to 0.70, and the Average Variance Extracted (AVE) value is 0.598 which has also been above or equal to 0.50 so it can be concluded that the customer value variable has been supported by reliable statement items so that it can continue to be used into the data processing stages further.

At the instrument testing stage, the customer satisfaction variable also obtained a Cronbach's Alpha value of 0.830. The Cronbach's Alpha coefficient obtained is above 0.70, besides that the composite reliability value is 0.899, the coefficient is also above or equal to 0.70, and the Average Variance Extracted (AVE) value is 0.749 which is also above or equal to 0.50 so it can be concluded that

the customer satisfaction variable has been supported by a reliable statement item so that it can continue to be used into further data processing stages.

Following the results of testing of research instruments that support customer, loyalty variables obtained Cronbach's Alpha value of 0.927. The Cronbach's Alpha coefficient value obtained is above 0.70, besides it also obtained a composite reliability value of 0.945, the coefficient value has also been above or equal to 0.70 and the Average Variance Extracted (AVE) value of 0.774 which has also been above or equal to 0.50 so it can be concluded that the customer loyalty variable has been supported by a reliable statement item so that it can continue to be used into further data processing stages. The third stage of testing the record is discriminant validity testing. According to the discriminant validity test that has been done, a summary of the results can be seen in Table 5 below:

Table 5. Discriminant Validity Test Results

Variable	Customer Value	Customer Satisfaction	Customer Loyalty
Customer value	0.773		
Customer satisfaction	0.840	0.865	
Customer loyalty	0.698	0.777	0.880

Source: Primary Data Processing (2020)

Based on the results of discriminant validity testing that has been done, it can

be seen that the variable customer value, customer satisfaction, and customer loyalty

have a correlation coefficient above 0.70, so it can be concluded that all research variables used are appropriate variables to be used in the Structural Equation Model analysis stage. After all stages of the instrument testing meet the requirements,

then testing the accuracy of the model (inner model) can be done. The inner model analysis is done by finding the R^2 value of each sub-structure model as shown in Table 6 below:

Table 6. Determination Coefficient Test Results

Information	R^2	Adjusted R^2
Customer Satisfaction	0.706	0.700
Customer loyalty	0.610	0.595

Source: Primary Data Processing (2020)

Following the results of testing the coefficient of determination can be seen that the structural model used in this study consists of two sub-structures. In the first sub-structure, the resulting coefficient R^2 is 0.706. The coefficient value shows that customer value can contribute to encouraging increased customer satisfaction in using ACP Seven products by 70.60% while the remaining 29.40% is

explained by other variables not used in the current research model. In the second sub-structure model, an R^2 value of 0.610 is obtained. The coefficient value indicates that the variable customer value and customer satisfaction. Based on the merging of the sub-structures used in this study, a fit structural model can be built, shown in Figure 2 below:

Figure 2. Structural Model (Inner Model)

In the figure, each variable has been represented by an appropriate statement item because it has a loading factor above or equal to 0.70, besides that the model is also stated precisely because each sub-structure forming a structural framework

produces a coefficient of determination above 55%. Thus it can be concluded that the structural model formed in this study was declared fit or precise so that further data processing stages can be carried out immediately. Following the results of the

tests that have been obtained, a summary

of the results can be seen in Table 7 below:

Table 7. Direct Effect Testing Results

	Original Sample (O)	T Statistics (O/STDEV)	P Values
CV -> KP	0.840	14.265	0.000
CV -> LY	0.155	0.819	0.413
KP -> LY	0.646	3.576	0.000

Source: Primary Data Processing (2020)

Table 7 shows that the customer value variable has a path coefficient of 0.840, which is statistically proven through a P-value of 0,000. Stages of statistical testing were carried out using a confidence level of 5%. The results obtained indicate that the P-value of 0.000 is far below the 5% confidence level, the decision is H_0 rejected and H_1 accepted so that it can be concluded that the customer value has a positive and significant effect on customer satisfaction in using ACP Seven products distributed by PT Sembilan Cipta Padang Works.

Based on the results of the first hypothesis testing it was found that customer value had no significant effect on customer loyalty in using ACP Seven products distributed by PT Sembilan Cipta Karya Padang. The results obtained indicate that customer value is not a variable that can encourage increased customer loyalty in using ACP Seven products. The results obtained at the first hypothesis testing stage are in line with the opinion of Tjiptono, Fandy & Gregorius, (2012) which states that individuals who are loyal to a brand no longer consider the value or benefits that can be given by a brand. The results obtained are not in line with research conducted by Palilati, (2007) found that customer value has a positive effect on customer loyalty in using the Sulawesi Development Bank Savings. Similar findings were also obtained by Sulyanto, (2013) who found that customer value had a positive effect on customer

loyalty in using a brand of product. Dewita Hia, (2016) found that the value or benefits perceived by customers had a positive effect on customer loyalty in using The Ladies Padang products.

Following the results of the second hypothesis testing, it appears that the customer value variable has a path coefficient of 0.155. The coefficient value is strengthened by a P-value of 0.413. Stages of statistical testing were carried out using a confidence level of 5%. The results obtained show that the P-value of 0.155 is far above the 5% confidence level, the decision is H_0 is accepted and H_2 is rejected so it can be concluded that customer value does not significantly influence customer satisfaction in using ACP Seven products distributed by PT Sembilan Cipta Karya Padang.

Following the results of the second hypothesis testing, it was found that customer value had a positive and significant effect on customer satisfaction in using ACP Seven products distributed by PT Sembilan Cipta Karya Padang. The findings obtained in the first hypothesis testing stage are in line with the results of research (Miswanto & Angelia, 2017) found that customer value has a positive effect on customer satisfaction in using a service. Research conducted by (Palilati, 2007) found that customer value influences customer satisfaction in using the services of regional banks in South Sulawesi. The consistent research results were also obtained by Sulyanto, (2013) who found

that customer value had a positive and significant effect on customer satisfaction.

Based on the results of testing the third hypothesis, it is known that the customer satisfaction variable has a path coefficient of 0.646 which is statistically proven through a P-value of 0,000. Stages of statistical testing were carried out using a confidence level of 5%. The results obtained show that the P-value of 0.000 is far below the 5% confidence level, the decision is H_0 rejected and H_1 accepted so that it can be concluded that customer satisfaction has a positive and significant effect on customer satisfaction in using ACP Seven products distributed by PT Sembilan Cipta Padang Works.

Based on the results of the third hypothesis testing it was found that customer satisfaction had a positive and significant effect on customer loyalty in using ACP Seven products distributed by PT Sembilan Cipta Karya Padang. The results obtained at the third hypothesis testing stage are in line with research

findings obtained by Solimun & Fernandes, (2018) finding that satisfaction has a positive and significant effect on customer loyalty in using private banks in Malaysia. Consistent research findings also obtained by Palilati, (2007) found that satisfaction affects customer loyalty in using a product or service. The results of the study by Yuwono & Adrian, (2011) found that satisfaction has a positive effect on customer loyalty in using a product. The results obtained indicate the consistency of customer satisfaction felt to drive increased customer commitment in using the same product brand, thereby creating loyalty to the product brand used.

The second stage of testing the hypothesis is testing the indirect effect of each research variable. Following the results of testing the indirect effects that have been carried out through the assistance of the Smart PLS program, a summary of the results is obtained, shown in Table 8 below:

Table 8. Indirect Effects Test Results

	Original Sample (O)	T Statistics (O/STDEV)	P Values
CV -> KP -> LY	0.543	3.495	0.001

Source: Primary Data Processing (2020)

In Table 8 it can be seen that from the test results the indirect effect obtained by the path coefficient of 0.543. The coefficient value is strengthened with a P-value of 0,000. The level of confidence used in the statistical testing process is 0.05. The results obtained show that the P-value of 0.000 is far below the 0.05 error level, the decision is H_0 rejected and H_4 accepted so that it can be concluded that customer value has a positive and significant effect on customer loyalty after being moderated by customer satisfaction in using ACP Seven products. distributed by PT Sembilan Cipta Karya Padang.

Based on the results of the fourth hypothesis testing it was found that customer value has a positive and significant effect on customer loyalty after being moderated by customer satisfaction in using ACP Seven products distributed by PT Sembilan Cipta Karya Padang. The results obtained are in line with the hypothesis. These results indicate that customers feel the value and benefits of using ACP Seven products, the values and benefits will certainly be adjusted to the expectations of each customer. When the benefits are felt following the wishes of every ACP Seven product user, satisfaction

will be formed. Continued value of satisfaction will create commitment or regularity in buying or using ACP Seven brand products, especially those distributed by PT Sembilan Cipta Karya Padang.

The findings obtained at the fourth hypothesis testing stage are in line with the research results of Keshavarz & Jamshidi, (2018) found that customer value has a positive effect on customer loyalty after mediated by customer satisfaction. The results obtained indicate that the higher the value and benefits perceived by the customer will further encourage the strengthening of customer satisfaction because any desires or expectations that they expect in using the product brand can be realized. Consistency of perceived value or benefits and encouraging customer satisfaction will increase customer loyalty in using a brand. Similar results were obtained by Palilati, (2007) who found that customer value had a positive effect on customer loyalty after being moderated by customer satisfaction.

Scridon, Achim, Pinte, & Gavrilletea, (2019) found that customer value first affects customer satisfaction, and then the combination formed between the value and perceived customer satisfaction will create loyalty in customers to continue to use the same product brand in a certain period. Benefits that match customer expectations or desires create consistent satisfaction, thereby encouraging the emergence of commitment in customers to continue to use the same product brand.

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