

ABSTRACT

This research is motivated to a decrease in sales of Blackberry smartphones in the period 2011-2013. The sales decline shows a decrease in the level of customer loyalty on the Blackberry smartphone products that can be formulated in this study that how a customer's loyalty to the Blackberry smartphone phenomenon in the increasingly fierce competition of smartphones based on the product image and customer satisfaction through word of mouth as an intervening variable. The purpose of this study was to analyze the effect of direct and indirect product image and satisfaction to loyalty, through word of mouth as an intervening variable.

Data were obtained from questionnaires to 112 customers in the Faculty of Economics and Business, University of Diponegoro using purposive sampling technique. Five hypotheses are formulated and tested using Structural Equation Modeling (SEM). The results of this study presented shows that the causal relationship between the variables that affect the Goodness of Fit criteria namely Chi-square = 68.327; Significance probability = 0.079; RMSEA = 0.075; CMIN / DF = 1.921; TLI = .978; CFI = 0.960; GFI = 0.972 and AGFI = 0.934. Among the positive effect on the product image word of mouth. Customer satisfaction has a positive effect on word of mouth. Product image has a positive effect on customer loyalty. Customer satisfaction has a positive effect on customer loyalty. Word of mouth positive effect on customer loyalty.

Keywords: Image product, Customer Satisfaction, Customer Loyalty and Word Of Mouth