

ABSTRACT

Despite experiencing positive growth, Apple has not been able to fully surpass Android smartphone competitors that still dominate the smartphone market in Indonesia. The results of the 2021 CIRP research indicate that iPhone user loyalty has reached 93 percent. A Jakpat survey identifies seven out of ten main reasons for iPhone user loyalty, related to product quality. Nevertheless, the quality of iPhone products still needs improvement, as indicated by a LocalCircles survey that reveals some iPhone owners face issues such as rapid battery depletion, display damage, and perceived unaffordability of service and repair costs.

Customer evaluations of products are influenced by several factors, including the type of brand loyalty relationship and the asymmetric effects between product quality and customer satisfaction expectations. Although approximately 72% of iPhone users express satisfaction, there are still specific aspects that can be enhanced in the quality of iPhone products, with the hope that these improvements will strengthen Apple's position in a market still dominated by Android.

This research aims to examine the influence of product quality on customer loyalty, mediated by customer satisfaction, among Generation Z iPhone users in Indonesia. The study is both quantitative and descriptive, utilizing path analysis techniques with a sample of 100 Generation Z respondents who have purchased iPhones at least twice and reside in Indonesia.

Descriptive research results indicate that iPhone product quality and customer loyalty are categorized as Good, while customer satisfaction is categorized as Very Good. Path analysis reveals that product quality significantly influences customer satisfaction by 5.86%, which also contributes significantly to customer loyalty by 29.4%. Overall, product quality significantly influences customer loyalty by 64.3%. The total influence of product quality on customer loyalty, mediated by customer satisfaction, reaches 93.3%, with an indirect influence of 13.1%.

Keywords: *product quality, customer satisfaction, customer loyalty*