The problem is with bigger packages, often several hundreds of MBs. You won't get that far with manual coding if you want to do something more complex than moving all the files from a folder to the destination. InstallShield organizes files in groups, and groups in components, offers GUI for users to select those components, has support for encryption, language dependent files, registry keys, etc.

It has created a "standard" for installers and uninstallers, and comparing U++ installer to one of those installers (more like a comparison as to how it follows the standard, but also a little bit on the functionality side) is like comparing Notepad to Wordpad.

On the other hand, using InstallShield as a developer is a major pain, because you have to write a lot of code (or at least maintain the autogenerated code) in a VB like scripting language and you use WinAPI to create your interfaces (at least in the versions I used, which are a little bit dated).