

Brand Experience and Brand Loyalty: Mediated by Brand Trust

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Abstract

Brand loyalty is a company's goal to gain recognition from the community, so it becomes a challenge for companies to make customers loyal to a brand. This study will investigate the relationship between brand experience and brand loyalty, using brand trust as a mediation. The research respondents were 150 users of Kutus-kutus oil in DIY. The research data were analyzed using PLS-SEM. The results show no direct relationship between brand experience and brand loyalty. However, brand experience is related to brand trust, and brand trust is directly related to brand loyalty. Indirectly, brand experience is related to brand loyalty mediated by brand trust. Limitations/implications of the study: The research was conducted in the same province as the Special Region of Yogyakarta, so the generalization of the results had to be determined by completing additional studies elsewhere.

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INTRODUCTION

Brand loyalty is becoming the main goal for companies in the business environment, increasing market competition from globalization. Moreover, the Covid pandemic has changed all aspects of human life, including how consumers choose the products they want (Redjeki & Affandi, 2021). For this reason, in order for the company to survive in the competition, the company must have a strategy to retain loyal customers. The ability to successfully increase product choices is an absolute requirement for businesses to do in order to survive (Sumarmi & Prasyanti, 2021). Customers loyal to specific brands are essential because retaining customers is more profitable than finding new customers. (Schiffman & Wisenblit, 2019).

The biggest challenge facing companies is to make customers loyal to the brand (Zaidun et al., 2020). According to (Mostafa & Kasamani, 2021), consumers are more interested in collecting experiences and memories than consumers of the objects they will get. This can be interpreted if a

consumer prioritizes the brand experience. The customer brand experience is derived from the interactions between service organizations, products, service personnel and customers and results in specific responses from customers (Hussein, 2018).

According to (Ong et al., 2018), brand experiences are essential “in developing brand loyalty and achieving business sustainability”. Business performance, “in particular, is influenced by customer loyalty directly through buying behaviour, as well as indirectly through attitudes toward a brand”. Brand experiences are a critical factor that plays a role in achieving and sustaining business success and building long-term bonds with consumers (Kang et al., 2017). This paper tries to find the relationship between brand experience and brand loyalty. Several scholars have found that brand experience positively relates to brand loyalty (Hussein, 2018; Lestari, 2015; Liu & Hu, 2021; Miharni Tjokrosaputro, 2020; Mostafa & Kasamani, 2021). However (Rahmat & Marso, 2020; Samuel & Putra, 2018), have another finding in which there is no relationship between brand experience and brand loyalty. This research gap encourages researchers to conduct a re-study to confirm the study results.

In this study, the authors use the brand trust to mediate the relationship between brand experience and brand loyalty. Brand trust is an essential aspect of the decision-making process in marketing activities (Wijaya et al., 2020), so companies need to create high consumer trust in brands. It is hoped that the brand experience felt by consumers will affect consumer trust in the brand, which will form brand loyalty. According to (Atulkar, 2020), brand trust and brand loyalty are a measure of the attachment that customers have to a particular brand.

LITERATURE REVIEW

Brand Loyalty

Brand loyalty can help improve business performance in the long term because companies can get higher profits (Ong et al., 2015). According to (Su & Chang, 2018), to become a company with a competitive advantage in the market, it is necessary to build a good perception of a brand, which can be concluded as Brand Loyalty. Brand loyalty has several strategic benefits that are important for companies, “such as gaining high market share and new customers, supporting brand expansion, reducing marketing costs, and strengthening brands against competitive threats” (Alhaddad, 2015). Focus on brand loyalty can be an effective way to manage equity (Aaker, 1992).

Brand Experience

Brand experience, according to (Brakus et al., 2009), is “the sensations, feelings, cognitions, and behavioral responses elicited by brand-related stimuli such as brand design and identity, packaging, communication, and the environment”. Brand experience can be an essential differentiating tool to win visitor loyalty (Ong et al., 2015). A critical reflection of research on brand experiences reveals that the actual customer experience is unavoidable because every point of contact (e.g., food, price, environment, service, staff, etc.) between the customer and the brand is an experience in itself (Ong et al., 2018).

(Schmitt, 2009), introduced five types of brand experiences: sense, feel, think, act, and relate.

Meanwhile (Brakus et al., 2009) introduced four types, including sensory, affective, intelligent and behavioural. This study uses the type of brand experience developed by (Brakus et al., 2009), because this dimension follows the research context: users of Kutus-kutus herbal oil at a premium price.

Several previous researchers have found different findings on the relationship between brand experience and brand loyalty. (Hussein, 2018; Lestari, 2015; Liu & Hu, 2021; Miharni Tjokrosaputro, 2020; Mostafa & Kasamani, 2021), Found a positive relationship between brand experience and brand loyalty. However, (Rahmat & Marso, 2020; Samuel & Putra, 2018), did not produce these findings. Based on this, the researcher proposes the following hypothesis:

Hypothesis 1: Brand experience has a positive effect on brand loyalty.

Brand Trust

Building and maintaining trusting and long-lasting relationships with customers is critical to brand success in today's highly competitive global marketplace (Alhaddad, 2015).

Brand trust is defined as the willingness of consumers to rely on the brand and its promises, which is considered an essential antecedent of brand loyalty (He et al., 2012). (Lacap & Tungcab, 2020; Marliawati & Cahyaningdyah, 2020), found that brand trust has a direct effect on brand loyalty. Based on the explanation above, the proposed hypothesis:

Hypothesis 2: Brand experience has a positive effect on brand trust.

Hypothesis 3: Brand trust has a positive effect on brand loyalty.

Hypothesis 4: Brand trust mediates the positive relationship between brand experience and loyalty.

METHOD

Research Model

The research framework is designed to test the hypothetical relationship by using Kutus-kutus Oil consumers in the Special Region of Yogyakarta as the research target. The research model is depicted in Figure 1.

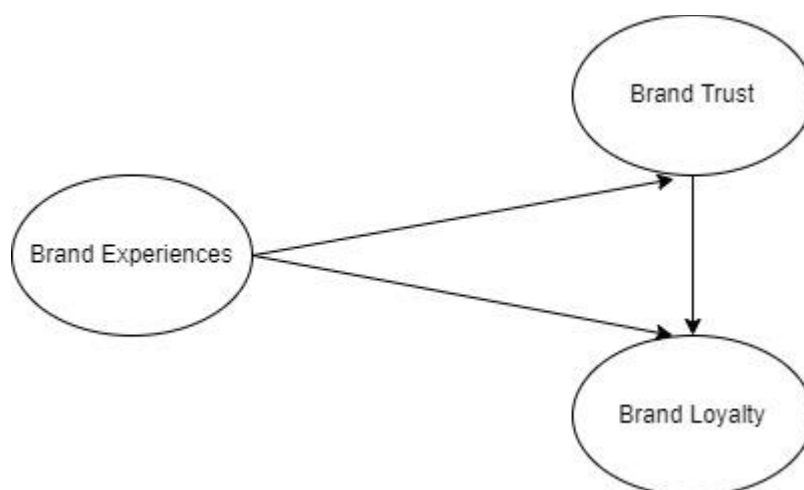


Figure 1. Proposed Research Framework

Participants of the Study

The respondents of this study were users of Kutus-kutus oil in the Special Region of Yogyakarta. All participants were identified using the convenience sampling method. Dissemination

of survey questionnaires begins with direct communication via cell phones, then continues by sending google forms to participants. Of the 150 survey questionnaires distributed, the respondents answered all questionnaires thoroughly and correctly, with a response rate of 100%.

Demographic Characteristics of the Respondents

Table one shows that users of Kutus-kutus oil in DIY are dominated by women, as much as 72.7%, with the highest age between 24-35 years or 54.6%. Meanwhile, the respondents' occupations were dominated by entrepreneurs, as much as 52.6%.

Table 1. Demographic Characteristics of the Respondents

		Frequency	Percent
Gender	Male	41	27.3
	Female	10	72.7
Age	< 24	9	
	24 - 35	16	10.6
	35 - 44	82	54.6
	45- 54	35	23.3
	> 54	12	8
Employment	Entrepreneur	5	3.3
	Government employees	79	52.6
	Others	17	11.3
		54	36

Measurement

Brand loyalty was measured using a 5-point Likert scale, with five dimensions developed (Oliver, 1999), cognitive, affective, conative, and action.

Brand experience is measured using a 5-point Likert scale, with four dimensions developed (Brakus et al., 2009), sensory experience, affective experience, Intellectual experience, behavior experience.

Brand trust is measured using a 5-point Likert scale (1 - 5), using the developed Brand Trust Scale (1 - 5) (Ballester et al., 2003) which includes the dimensions of viability and intentionality. Initially, all scales were written in English and then translated into Indonesian.

Data Analysis

To measure the relationship between brand experience, brand trust, and brand loyalty, Partial Least Square – Structural Equation Modeling (PLS-SEM) was used. Assessment of PLS-SEM results includes evaluation of measurement models and structural models. In evaluating the measurement model, validity and reliability tests are included. On the other hand, evaluation of structural models requires assessment of model path coefficient, coefficient of determination, effect size, and predictive relevance (J. F. Hair et al., 2020).

In addition, because this study evaluates the mediating effect of brand trust, a mediation analysis was carried out. The mediation model measures how mediators, to some extent, absorb the effects of exogenous constructs on endogenous variables in PLS-SEM (J. F. J. Hair et al., 2013).

RESULTS AND DISCUSSION

Scale Validity and Reliability

The validity of convergent validity and discriminant validity were tested using the reflective measurement approach, as well as the reliability of construct size indicators and internal consistency reliability. The reflective measurement model evaluates the reliability of construct measure indicators, the reliability of internal consistency, and the validity of convergent validity and discriminant validity. Rule of thumb by using outer loading above 0.70 (J. F. J. Hair et al., 2013). In addition to this, the parameters of the convergent validity test can also be seen based on the results of Cronbach's alpha (CA), Average Variance Extracted (AVE) > 0.5, and Composite Reliability.

Based on the CA and CR coefficients, as shown in Table 2, the latent variables of brand experience, brand trust, and brand loyalty are highly reliable. They are within the acceptable threshold for convergent validity.

Table 2. Convergent Validity and Reliability Measure

No	Constructs/ Item	Item Loading	AVE	CR	CA
Brand Experience					
1.	The aroma of Kutus Kutus Oil is soothing for me.	0.739			
2.	The texture of Kutus Kutus Oil is perfect for me.	0.769	0.692	0.918	0.887
3.	I feel comfortable using Kutus Kutus Oil.	0.915			
4.	I want to know what ingredients are contained in Kutus Kutus Oil.	0.866			
5.	I used to rely on Kutus Kutus Oil.	0.786			
Brand Trust					
1.	After using Kutus Kutus Oil, I feel satisfied	0.905			
2.	After using Kutus Kutus Oil, I can feel the benefits	0.877	0.722	0.928	0.903
3.	I feel Kutus Kutus Oil is a safe product	0.786			
4.	I have entrusted my oil needs with Kutus Kutus Oil	0.859			
5.	I feel that I can rely on Kutus Kutus Oil to solve my body problems	0.816			
Brand Loyalty					
1.	I'm not interested in other brands that are cheaper than Kutus Kutus Oil	0.728			
2.	I feel Kutus Kutus Oil is of better quality than other brands	0.846	0.756	0.939	0.920
3.	I like and feel happy using Kutus Kutus Oil	0.933			
4.	I am committed to buying Kutus Kutus Oil	0.850			
5.	I recommend Kutus Kutus Oil to my friends and colleagues.	0.788			

Hypothesis Testing

The evaluation results of the path coefficients are used as the basis for testing the hypothesis. Table 3 shows the results of hypothesis testing, which resulted in three relationships between variables. Hypothesis 1 states that brand experience has a positive relationship with brand loyalty.

The study results do not support the first hypothesis, with a path coefficient value of 0.109 and a p-value of 0.228. The second hypothesis states that Brand Experience positively relates to brand trust. The study results found that the second hypothesis was supported by a path coefficient value of 0.481 and a p-value of 0.000. The third hypothesis predicts that Brand Trust has a positive relationship with Brand Loyalty. The fourth hypothesis is supported, with a path coefficient value of 0.544 and a p-value of 0.000.

The fifth hypothesis predicts the mediating effect between Brand experience and brand loyalty. According to this hypothesis, Brand Trust mediates a positive relationship between Brand experience and Brand Loyalty. This study finds that the sixth hypothesis is supported, with a path coefficient value of 0.267 and a p-value of 0.000.

Table 3. Direct and Indirect Effect

Path	Path Coeff	P values	Result
Brand Experience → Brand Loyalty	0.109	0.228	Not Supported
Brand Experience → Brand Trust	0.481	0.000	Supported
Brand Trust → Brand Loyalty	0.544	0.000	Supported
Brand Experience → Brand Trust → Brand Loyalty	0.267	0.000	Supported

DISCUSSION

This study confirms that brand experience is not related to brand loyalty, and this shows that consumers do not develop attitudes from their experience in choosing an item. The results of this study are not in line with the findings which found that brand experience is related to brand loyalty. However, these results support the findings (Hariyanto, 2018; Rahmat & Marso, 2020; Samuel & Putra, 2018), that brand experience is not related to brand loyalty.

This study found that brand experience is positively related to brand trust. This study means that if brand experience increases, brand trust will increase in the same direction, as well as if brand experience decreases, brand trust will also decrease. This result is in line with the findings (Hariyanto, 2018; Huaman-Ramirez & Merunka, 2019; Lacap & Tungcab, 2020), which found a positive relationship between brand experience and brand trust.

Other findings were also produced where brand trust and brand loyalty proved to be positively related and in line with the findings (Alhaddad, 2015; Atulkar, 2020). However, this result contradicts the findings (Miharni Tjokrosaputro, 2020) where brand trust and brand loyalty are unrelated.

The more people trust the product brand that the company produces, the more success it will get. Therefore, there are many ways to build brand trust. A great way to build trust with customers is to let them know that the company cares about them more than just yourself. In addition, to build brand trust is with consistency and confidence, and must have a strong level of consistency in all parts of the business: price, performance, and value.

An indirect relationship between brand experience and brand loyalty mediated by the brand trust was also found in this study. This finding is in line with the study results (Pratiwi et al., 2021). The experience that consumers gain from a brand can increase their trust in a brand, which will increase their loyalty to a brand.

CONCLUSION

This study also offers some theoretical implications by discussing the factors driving brand loyalty. First, this study confirms that brand trust is due to brand experience antecedents and shows that brand loyalty is integrated with brand experience and brand trust antecedents. Therefore, the research findings will support companies in building their strategies to generate brand trust, which will directly affect customer brand loyalty. Customers who have high brand trust are relatively less likely to switch brands, seek variety less and consequently are more likely to remain loyal to their usual brand.

This study shows that customers show brand loyalty due to their quality, value, and satisfaction with the brand, increasing their repeat buying behaviour. Therefore, companies should be aware of their customers attitudes and behaviour regarding the brand, which customers present when making purchasing decisions. They should also try to increase efforts to maintain quality and service, ultimately creating brand trust and brand loyalty in customers. This research was only conducted in one province, namely the Daerah Istimewa Yogyakarta. For this reason, the study still has limitations in the number of samples and population. For the research results to be generalized, it is hoped that future studies will conduct research in other places.

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