Brand Image Analysis, Promotion, Satisfaction and Customer Loyalty

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Abstract: *Customer loyalty is a measure of the sustainability of a business. If there are many loyal customers, the company will profit but if there are many customers who are less loyal, the company will lose money. Therefore, it is necessary to know the factors of customer loyalty. Research on brand image analysis, promotion, satisfaction and customary loyalty aims to find out the influence of brand image and promotion partially on satisfaction and customer loyalty; the influence of satisfaction on customer loyalty. The study used 200 students in Jakarta as respondents who were selected on a multi-stage basis. Stage 1, 5 universities were selected as random sample units. In the second stage, 40 students were selected as respondents randomly at the colleges. The results showed that there was an influence of brand image and promotion partially on satisfaction and customer loyalty; the influence of satisfaction on customer loyalty.*

Keywords: *Brand Image, Promotion, Satisfaction, Customer Loyalty.*

I. Introduction

The problem of congestion in urban areas, especially big cities like Jakarta, greatly disrupts the activities of its citizens. To overcome this, there is an online public transportation company. We can easily order through applications and be picked up without the need to wait for a long time (Rafael, 2017). One of Indonesia's online transportation services is Go-Jek. Since 2010, the Go-Jek Indonesia company has provided "online motorcycle taxi" transportation services and is leading the renewal, the online transportation service industry revolution, working together with experienced motorcycle taxi drivers in 50 cities in Indonesia including Jabotabek, Bandung, Bali, Surabaya, Makassar, Yogyakarta , Medan, Semarang, Palembang, Balikpapan and other cities. Go-Jek activities are based on 3 main values: speed, innovation and social impact.

Competition between companies increases the company's insistence on giving satisfaction and creating customer loyalty. According to (Kurniasih, 2012) the creation of customer satisfaction can provide considerable benefits, including the relationship between companies and customers that are increasingly becoming harmonious and provide a good basis for repeat buyers and the creation of customer loyalty. The results of Lodhi's study (2013) found that there was a positive relationship between brand image and customer satisfaction. A customer who is satisfied with the quality of a product or service that has been purchased and used from a company or organization will make the customer reliable. Susanti (2009) research results found that consumer image and satisfaction both simultaneously and partially had a positive and significant effect on consumer loyalty. While the results of the study (Selang, 2013) found that simultaneously and partially prices and promotions affected loyalty.

High competition conditions, especially the competition of online transportation brands in the minds of consumers that are relatively high can affect consumers to use online transportation services. According to Tjiptono (2014) brand image makes consumers able to recognize, evaluate the quality of these products, and can cause a low risk of purchase. Consumers generally prefer famous brands even though the price offered is more expensive. Whereas according to Kotler and Armstrong (2008), promotion is communication from companies to consumers of products or services produced in an effort to build profitable relationships. At the Go-Jek company, one of the promotions offered is Go Pay, a virtual wallet to save Go Jek Credit. Meanwhile, Go Pay Point is a point obtained when customers use the Go Pay service. Customers will get prizes in accordance with the nominal transactions made. These points can be redeemed and can be discounted shopping at certain merchants or a reduction in payment of Go-Jek services or points received can be exchanged with attractive prizes offered by the company.

Based on previous research, it can be said that there is an inconsistent relationship between variables of brand image, promotion, satisfaction, and customer loyalty. The results of researches by Anung Pramudyo (2012), and Zulianti, Ramadania (2014), show that brand image influences satisfaction and loyalty. The research

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result of Christian Lasander (2013) argues that brand image and promotion have a partial effect on customer satisfaction. Fajarianto et al (2013), showed that brand image influences customer satisfaction and loyalty. But the results of different studies, including by Christian A.D Selang (2013), found that promotion does not affect consumer loyalty.

From the background above, it is necessary to conduct research on brand image analysis and promotion of Go-Jek customer satisfaction and loyalty (Study on students in DKI Jakarta Go-Jek service users). The purpose of this study is to determine the effect of brand image and promotion partially on customer satisfaction and loyalty; the influence of satisfaction on customer loyalty.

II. Theoretical Basis

According to Kotler and Keller (2008), brand image is an assumption and trust formed by consumers as reflected in the relationships formed in consumer memory. According to Tjiptono (2008), the brand itself is basically used for several purposes, namely: as an identity that is useful in differentiation or to differentiate the product of a company with its competitors' products; as a promotional tool and as a product attraction; to foster image, namely by giving confidence, assurance, quality, and certain prestige to consumers; to control the market.

Promotional activities within the company are the most important part besides other variables such as products, prices, and distribution channels. According to Stanton (2007), promotion is one way in the company's marketing mix that is utilized to notify, persuade, and remind about the company's products, in the hope of influencing the recipients, so that they feel trusted. According to Kotler and Keller (2016), promotional tools are as follows: advertising, through printed media (newspapers and magazines), broadcast media (radio and television), network media (telephone, cable, satellite, wireless), electronic media (recording, video recording, videodisk, CDROM, web page), and display media (billboards, signs, posters); sales promotion. There are various short-term incentives to encourage trial or purchase of products or services including customer promotions (samples, coupons and premiums), trade promotions (advertising and display benefits), business and sales by promotional forces (contests for repetitions sold); events and experiences. According to Kotler and Keller (2007), the promotional dimensions include: frequency of promotion is the number of sales promotions carried out in a time through the media of sales promotion; promotion quality is a benchmark for how well sales promotions are carried out; promotion quantity is the value or number of sales promotions given by consumers; promotion time is the length of promotion carried out by the company; accuracy or appropriateness of promotional goals is a factor needed to achieve the desired target of the company.

Consumers can experience one of three levels of general satisfaction, namely if the quality of performance is below expectations, consumers will feel disappointed, if the quality of performance is in line with expectations, customers will be satisfied, and if the quality of performance can exceed expectations, customers will feel very satisfied and happy. According to Tjiptono (2011), four methods for measuring customer satisfaction: a system of complaints and suggestions through suggestion boxes placed in strategic locations, comment cards, toll free special telephone lines, websites, etc.; ghost shopping (mystery shopping), which is one way to get a picture of customer satisfaction by employing a number of ghost shoppers to act or pretend to be potential customers of the company's products and competitors' products; lost customer analysis, the company contacts its customers who have stopped buying or who have shifted to different suppliers in order to understand why this happen and so that they can take further improvement policies; customer satisfaction surveys, either by mail, telephone, email, website or direct interview so that responses and feedback will be obtained directly from consumers and give a positive impression that the company is paying attention to its customers. According to Kotler, Keller, and Lane (2013), the dimensions of customer satisfaction include: stays loyal longer, i.e. customers will remain loyal for a long time; buys more as a company introducing new or upgraded products, that is, customers will buy again when the company introduces new products or products that have been updated; talks favorably to others about the company or its products, i.e. customers will talk about things either about the company or its products to others; pay less attention to competing brands, namely customers will not pay too much attention to competing brands.

Customer loyalty is important for a company. Loyal customers will provide a large income for the company, while losing loyal customers will be a thing that is detrimental to the company. According to Zulianti (2014), the notion of loyalty is as follows: as a generic concept, loyalty shows the tendency of consumers to buy a particular brand with a high level of consistency; as a behavioral concept, repeat purchases that are often associated with brand loyalty.

Based on the discussion above, the research model can be determined and the 5 hypotheses are outlined below:

Hypothesis:

H_1: The influence of brand image on customer satisfaction.

H_2: The influence of promotion on customer satisfaction.

H_3: The influence of brand image on customer loyalty.
H_4: The influence of promotion on customer loyalty.
H_5: The influence of customer satisfaction on loyalty.
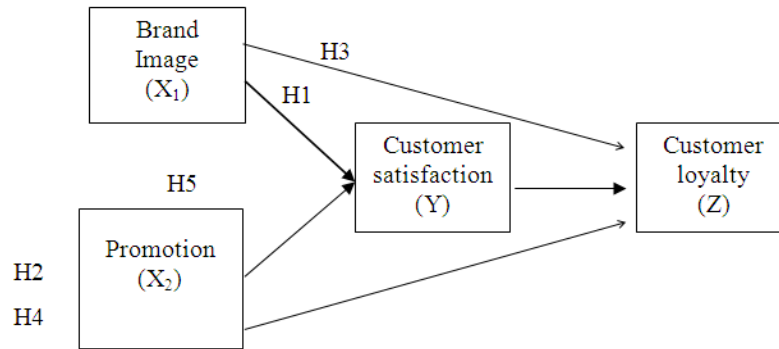

Figure 1.
Study Model

III. Research Methodology

The design of this study consists of descriptive and quantitative research. The research method used is the explanatory research method. According to Hermawan A (2009), the explanatory research method is research to test hypotheses between one variable and another.

The data sources used are primary and secondary data. Primary data comes from distribution of questionnaires directly to Go-Jek customers. Secondary data comes from books relating to research material.

The population of this study was students in Jakarta who were Go-Jek customers. A sample of 200 students as respondents were selected on a multi-stage basis. Stage 1, randomly determined sample units, namely five universities in Jakarta, including: Universitas Pancasila, South Jakarta; Universitas Bung Karno, Central Jakarta; Universitas Bunda Mulia, North Jakarta; Universitas Jayabaya, East Jakarta; Bina Nusantara University, West Jakarta. Stage 2, from each sample unit selected, 40 students were determined as Go-Jek users as random respondents.

This study uses a questionnaire with statements that have closed-end answers on a 1- 5 Likert scale, 1 = strongly disagree (STS), 2 = disagree (TS), 3 = neutral/doubtful (N), 4 = agree (S), and 5 = strongly agree (SS).

Validity and reliability tests need to be conducted on the measuring instruments that will be used in the study. Validity tests are used to measure the validity of a questionnaire. A questionnaire is said to be valid if the questions in the questionnaire are able to reveal something that will be measured by the questionnaire (Gozali, 2010). In testing the validity, a measuring instrument is used in the form of a computer program, namely SPSS, and if a measuring instrument has a significant correlation between the score of the items and the total score then the scoring instrument is valid. The formula that can be used in the Product Moment correlation formula as stated by Pearson is as follows:

$$r_{xy} = \frac{n \sum XY - (\sum X)(\sum Y)}{\left\{ \sqrt{(n \sum X^2 - (\sum X)^2)(n \sum Y^2 - (\sum Y)^2)} \right\}}$$

Description: rxy = Product moment correlation coefficient, n = Number of samples, x = variable 1, y = variable 2. The basic decision making for validity testing is to compare r_{count} with r_{table}. If$_{count}$> r_{table}, then the questionnaire item is declared valid, if r_{count}< r_{table}, then the questionnaire item is declared invalid. According to Sugiyono (2014), if the correlation of each factor is positive and the amount is 0.30 and above, then the factor is a strong construct (valid), if the correlation value is below 0.30, it can be concluded that the instrument is invalid, so it must be repaired or discarded. Reliability test is a test of a variable or construct that is reliable based on consistent answers from respondents to the questions on the questionnaire.

Data is processed by SEM, Lisrel program so that the testing of the hypothesis proposed in this study can be stated in the statistical hypothesis as follows: $H_0: \rho = 0$ (there is no effect of variable i on the variable y). $H_i : \rho i > 0$ (there is an effect of variable i on variable y). By testing using Test$_t$ namely: $t_{hit} = \frac{\rho i}{S \rho i}$ while $t_{hit} > t_{table}$, then rejectH_0 and $t_{hit} \leq t_{table}$ then accept H_0.

IV. Data Processing and Discussion Results

Brand Image consists of 14 indicators, promotion is reflected by 12 indicators, satisfaction is reflected by 12 indicators, and loyalty is reflected by 9 indicators. The results of validity tests for the 47 indicators in the

4 variables studied are valid, because all these indicators have $r_{count} > r_{table.}$ Meanwhile, all variables of this study are reliable, because these variables have Cronbach's Alpha values > 0.60.

Based on the average value of each variable, it can be said that the respondent's perception of the research variable is good, because the average value of the variable is between 3.41 - 4.20. While the average value of brand image = 4.00, promotion = 3.97, satisfaction = 3.97, and loyalty 3.95.

Table 2.
Structural Equation

No.	Equation	R^2
1.	SATISFAC = 0,45 * BRAND IMG + 0,55 * PROMOTIO	0.87
2.	= 0.58* SATISFAC+ 0,58 * BRAND IMG + 0,19 * PROMOTIO	0.95

Source: data processing results

There are 2 equations formed, equation 1 shows that the BRAND IMG and PROMOTIO variables are able to explain 87% (R2) of the SATISFAC variable. Other variables not discussed in this study are able to explain 13% of the SATISFAC variable. Equation 2 shows that the BRAND IMG, PROMOTIO, and SATISFAC variables can explain 95% (R^2) of the LOYALTY variable. Other variables not discussed in this study are able to explain 5% of the LOYALTY variable.

The model formed is appropriate or describes the data that is owned. Based on the GoF test (Table 3), the values of NCP, FO, RMSEA, ECVI, CFI, IFI can determine that the formed model can be accepted, while the values of AIC, CAIC, PNFI, RFI, RMR, AGFI, PGFI convey that the model formed is good.

Table 3.
Goodness of Fit Statistics (GoF)

No.	Element	Standard	Description
1	Minimum Fit Function Chi-Square = 1676.54 (P = 0.0)	1620.28 (P = 0.0)	Not good
2	Estimated Non-centrality Parameter (NCP) = 592.28	(486.79 ; 705.68)	Acceptable
3	Population Discrepancy Function Value (F0) = 2.98	(2.45 ; 3.55)	Acceptable
4	Root Mean Square Error of Approximation (RMSEA) = 0.054	(0.049 ; 0.059)	Acceptable
5	Expected Cross-Validation Index (ECVI) = 9.15	(8.62 ; 9.72)	Acceptable
6	AIC Model = 1820.28	Independence AIC = 58183.96 Saturated AIC = 2256.00	Good
7	CAIC Model = 2250.11	Independence CAIC = 58385.98 Saturated CAIC = 7104.50	Good
8	Parsimony Normed Fit Index (PNFI) = 0.92	Normed Fit Index (NFI) = 0.97	Good
9	Comparative Fit Index (CFI) = 0.99	Non-Normed Fit Index (NNFI) = 0.99	Acceptable
10	Incremental Fit Index (IFI) = 0.99		Acceptable
11	Relative Fit Index (RFI) = 0.97		Good
12	Root Mean Square Residual (RMR) = 0.034	0.040	Good
13	Adjusted Goodness of Fit Index (AGFI) = 0.72	Goodness of Fit Index (GFI) = 0.74	Good
14	Parsimony Goodness of Fit Index (PGFI) = 0.68		Good

Source: The results of data processing

Based on T Test (Figure 2), it can be said that H_1 is accepted, because its t_{count} = 7.29 (> 1.967), meaning that there is an influence of brand image on customer satisfaction. The diversity of values on the two variables is able to explain the relationship between the variables of brand image and customer satisfaction. This fact is also supported by the research of Fajarianto Bayu, et al (2013), Nischay Kumar Upamannyu (2014), that there is an influence of brand image on customer satisfaction.

H_2 is accepted because its t_{count} = 8.37 (> 1.967), meaning that there is an influence of promotion on customer satisfaction. The diversity of values on the two variables is able to explain the relationship between the variables of promotion and customer satisfaction. This fact is also supported by Abdiyanto (2016) research that sales promotion has an influence on service quality.

H_3 is accepted because its t_{count} = 3.64 (> 1.967), meaning that there is an influence of brand image on customer loyalty. The diversity of values on the two variables is able to explain the relationship between the variables of brand image and customer loyalty. This fact is also supported by the research of Bayu Fajarianto, et al (2013), Nischay Kumar Upamannyu, et al (2014), that there is an influence of brand image on customer loyalty.

H_4 is accepted because its t_{count} = 2.49 (> 1.967), meaning that there is an influence of promotion on customer loyalty. The diversity of values on the two variables is able to explain the relationship between the variables of promotion and customer loyalty. This fact is also supported by the research of Sandhi CH. Kakasih, et al (2014) that promotion has an influence on loyalty.

H_5 is accepted because its t_{count} = 5.07 (> 1.967), meaning that there is an influence of satisfaction on customer loyalty. The diversity of values on the two variables is able to explain the relationship between the variables of satisfaction and customer loyalty. This fact is also supported by the research of Bayu Fajarianto, et al (2013), Putu, et al (2016), that there is an influence of satisfaction on customer loyalty.
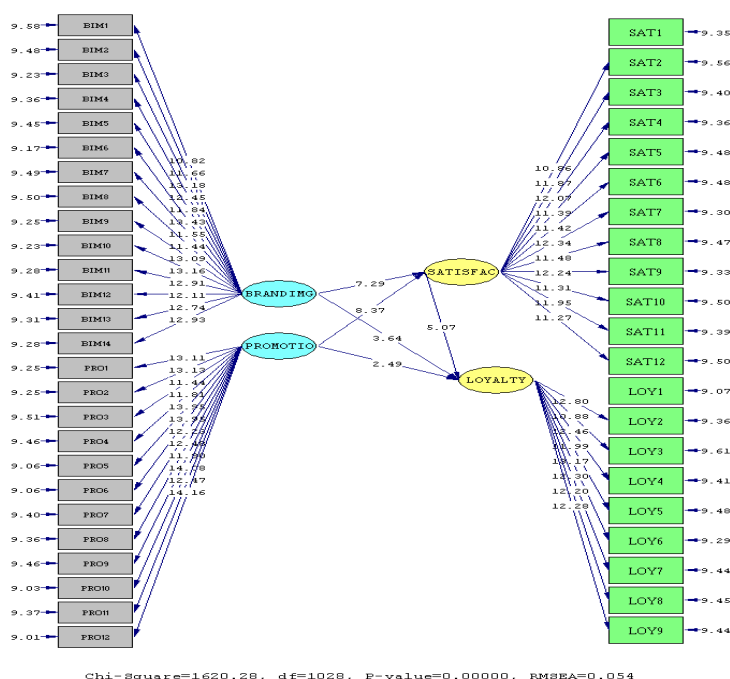

Figure 2.
t Test

Table4. Direct, Indirect and Total Effect

No.	Pathway		Direct	Indirect	Total
1.	BRAND → IMG LOYALTY		0.25	- 0.26	- 0.51
	BRAND → IMG SATISFAC → LOYALTY			(0.45 x 0.58)	
2.	PROMOTIO → LOYALTY		0.19	- 0.32	- 0.51
	PROMOTIO → SATISFAC → LOYALTY			(0.55 x 0.58)	

Source: data processing results

Based on Table 4, it can be seen the direct, indirect, and total effects; therefore, the 2 dominant paths (total path = 0.51) that are formed are the BRAND IMG – SATISFAC – LOYALTY path and the PROMOTIO – SATISFAC – LOYALTY path. The implementation of the results of this study is that an increase of customer loyalty to Go-Jek can be obtained through increasing customer satisfaction supported by brand image and promotion.

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