

# THE EFFECT OF BRAND EXPERIENCE ON BRAND LOYALTY THROUGH BRAND SATISFACTION AND BRAND TRUST AS INTERVENING VARIABLES ON THE WALRUS PRODUCT OF JAYA GARMENT SUKSES MAKMUR COMPANY IN SURABAYA

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## ABSTRACT

*Competition in the business of winning consumer choice requires that every company can produce its best products that satisfy the tastes of consumers and be accepted by the market (Kotler, 2002). This study aims to test and analyze whether there is effect of Brand Experience towards Brand Loyalty through Brand Trust and Brand Satisfaction as intervening variables. The variables studied in this research are Brand Experience (X1), Brand Trust (X2), Brand Satisfaction (X3) and Brand Loyalty (Y). Brand Experience has four indicators, namely Sensory, Affective, Behavioral and Cognitive. Brand Trust has five indicators, namely consumer trust towards brand, company has a dependable brand, consumer trust the company brand because of its quality, consumer can rely on company brand, and consumer feels secure when buying its product. Brand Satisfaction has three indicators, namely satisfaction towards product, satisfaction towards brand, and likeness towards product. Lastly, Brand Loyalty has four indicators, namely behaviour measure, measuring switch cost, measuring liking brand, and measuring commitment. Population in this study are 100 Walrus customers. It is revealed that Brand Experience is a variable that effects Brand Loyalty the most.*

**Keywords:** Brand, Brand Experience, Brand Trust, Brand Satisfaction, Brand Loyalty

## INTRODUCTION

### Background Information

Apparel industry is one of the most developed industries. This industry increases per year due to the increased growth of population every year. Therefore, the government pays attention to this sector by supporting the local producers from its local developments to exports.

Some factors play important part in determining buying decision for a fashion product, including price, model, clothing type, or its color. Other factors also play role such as shopping convenience and satisfaction when buying an item. Unlike the usual products easily replicated by competitors, a strong brand will be difficult to imitate because a brand already has influenced the consumers' perception on its value which is not easy to create (Satyadharma, 2014).

In relation to that, each and every brand offers various advantages in terms of looks, models, types, ambassadors, materials, and many more. These advantages make each brand has its own specialty. Thus, most companies pay more attention on the selling experiences, buying convenience, trust, and customer loyalty. As described by Alhaddad (2015), loyalty to a specific brand is a variable formed by two different components of attitude and behavior. This is reflected in the experience of Walrus brand who previously a preference for middle-aged men is now shifting into adult men's choice. This research aimed to examine and analyze the influence of brand experience on brand loyalty, with brand satisfaction and brand loyalty as the intervening variables, on Walrus products in Jaya Garment Sukses Makmur Company.

## **LITERATURE REVIEW**

### **Brand Definition**

Brand is a name, term, sign, symbol, design or even its mix used to identify competitor's goods or services (Permadi, *et al.*, 2014). Brands have power to pay attention to. Just by mentioning the brand, we can remember the taste, smell, or shape of an item very vividly. A strong brand can generate better profits for the company. Kotler and Keller (2009: 259) explain in detail that brand used by a company's product has several roles or functions, among others, identifying the manufacturer source of the product and allowing both individual and organization consumers to demand responsibility to certain manufacturers or distributors for its performance.

### **Brand**

Permadi, *et al.*, (2014) explain that a brand is a name, term, sign, symbol, design or even its mix used to identify a competitor's goods or services. Similarly, American Marketing Association (AMA) defines a brand as name, term, sign, emblem or design, or its combination, intended to identify goods or services from a certain seller or a group of sellers and differentiate them from other competitors. Kotler and Pfoertsch (2008: 79) state that a brand is a set of expectations and associations built from experience with a company, product, or service, which will describe how the consumer's thoughts or assumptions about what a business does or bids its customers.

### **Brand Functions**

According to Ambadar, *et al.*, (2007: 4-5), brand as goods and products identity serves two functions. The first function is that brand provides identification to a product so consumers can recognize this trademark and differentiate it with other products. The second function is that brand helps to attract potential buyers. Most entrepreneurs always try to keep their products to dominate the market.

### **Brand Components**

Kotler and Keller (2009: 269) explain about six criteria for selecting brand elements, namely:

1. Easy to remember. Short names like Tide, Crest, and Puffs are memorable brand elements.
2. Meaningful. Is the brand element credible, indicating categories related to the brand, and whether the brand element implies something about the product material or the type of person that will use the brand.
3. Easy to like. Is the brand elements aesthetically interesting, whether the brand element is favored visually, verbally, or other ways.
4. Transferrable. Whether brand element can be used to introduce new products in the same or different categories, whether the brand element will add brand equity across geographic boundaries and market segments.
5. Adjustable. How easily the brand element to be adjusted and updated.
6. Protectable. How easily the brand element protected legally and competitively.

### **Brand Experience**

Brakus, *et al.*, (2009) describe the concept of brand experience as a subjective and internal responses of the consumers (sensation, feeling, and cognition) and the form of behavioral responses stimulated by the brand as part of the brand design and identity, packaging, communication and environment.

### **Brand Trust**

Samuel and Lianto (2014) explains about brand trust as a form of security possessed by product users in their interaction with a brand, which is based on the perception that the brand is trustworthy and cares about its consumers' interests and welfare. The customers rely only on their trust when choosing the products, and when the products are yet available, they are willing to wait for it without even considering substitute products.

### **Brand Satisfaction**

Brand satisfaction has become the most important factor, used to measure whether the consumers' needs and expectations for a certain product are met (Kusuma, 2014). Dissatisfied customers or consumers will not make repeat buying, and tend to give negative comments on the existing goods or

services. Therefore, the company must pay more attention on customers' satisfaction, so this satisfaction will later become customers' loyalty where they will always choose their goods or services.

### Brand Loyalty

Correct management and utilization of a company's marketing strategies will turn brand loyalty into the company's strategic asset. Some potentials resulting from brand loyalty to the company are as follows (Hasugian, 2015):

1. Reducing marketing costs.
2. Increasing trade.
3. Attracting new customers.
4. Giving time to respond to competitors' threats.

While other factors influencing the brand loyalty are as follows:

1. Value (price and quality).
2. Image (both from brand personality and reputation).
3. Convenience and easiness to obtain the branded product.
4. Consumer satisfaction.
5. Service.
6. Warranty and guarantee.

The hypotheses of this research are:

1. The effect of Brand Experience on Brand Satisfaction.
2. The effect of Brand Experience on Brand Trust.
3. The effect of Brand Satisfaction on Brand Loyalty.
4. The effect of Brand Trust terhadap on Loyalty.
5. The effect of Brand Experience on Brand Loyalty.

Based on these five hypotheses, the analysis model of this research is displayed on Figure 1.

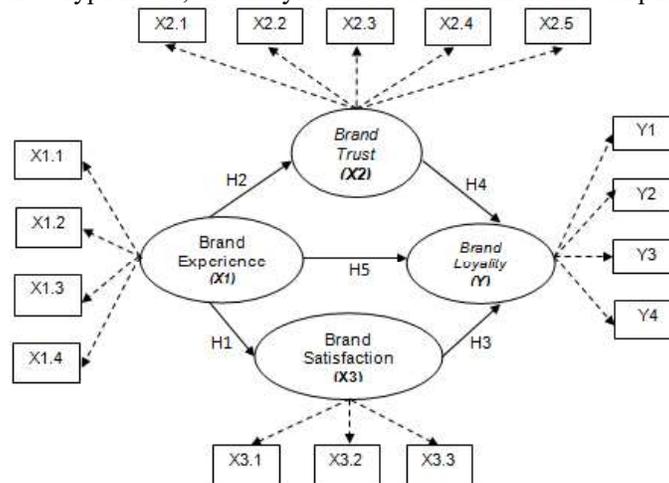


Figure 1. Research Model

### RESEARCH METHODS

The type of this research is explanatory research which aimed to test the relationships between variables. This quantitative research used a causal approach and with a questionnaire with a Likert scale (1-5). The sample size was 100. The data were processed using SEM method with the use of PLS software to test and analyze the effect of Brand Experience on Brand Loyalty through Brand Trust and Brand Satisfaction on the Walrus product in Jaya Garment Sukses Makmur Company, Surabaya.

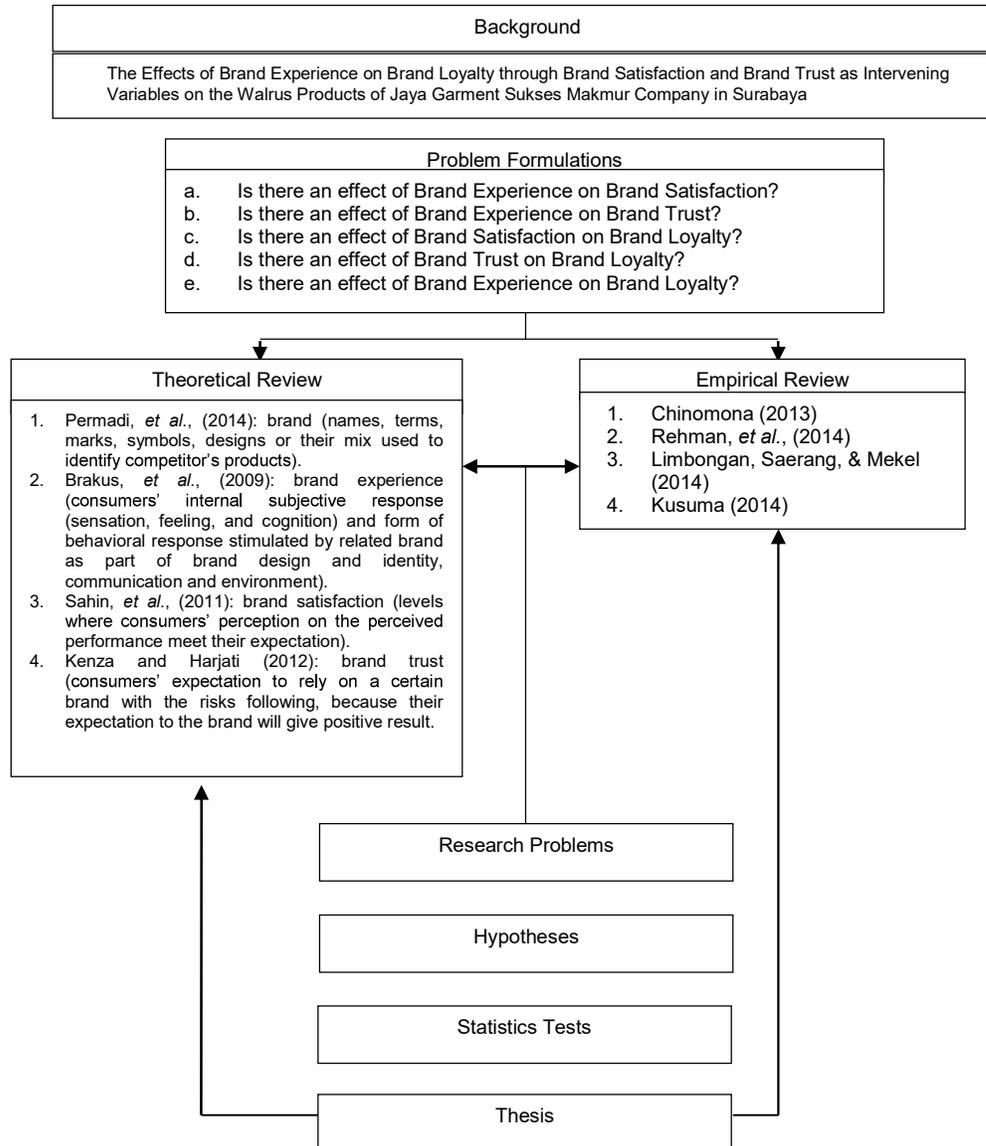


Figure 2. Research Framework

Table 1. Definition of Operational Variables

Research Variable	Definition	Indicator	Measurement
Brand Experience (X1)	Based on Brakus et al., (2009)	a. Sensory. b. Affection. c. Behavior. d. Intellectual.	Likert Scale : Strongly Agree = 5 Agree = 4
Brand Trust (X2)	Based on Veno & Subagio (2013)	a. Consumers trust the company. b. Company brand is dependable. c. Consumers trust the brand because of good quality. d. Consumers can depend on the company's brand.	Neutral = 3 Disagree = 2 Strongly Disagree = 1

		e. Consumers feel safe when buying the company's branded product.	
Brand Satisfaction (X3)	Based on Kusuma (2014)	a. Product satisfaction b. Brand satisfaction c. Product pleasure	
Brand Loyalty (Y)	Based on Hasugian (2015)	a. Behaviour measure b. Measuring switch cost c. Measuring liking brand d. Measuring commitment	

**Analysis**

This research used *Partial Least Square* (PLS) as an analytical tool. Ghozali (2008: 22-26) lists the PLS analysis steps as below:

1. Designing a structural model or inner model;
2. Designing a model of measurement or outer model;
3. Constructing a path diagram;
4. Estimating parameters;
5. Goodness of fit;
6. Evaluating the model.

**FINDINGS**

The questionnaire was distributed to 100 respondents. For the respondent's age characteristic, 56 respondents with the age interval of 18 to 25 years old (56%); 24 respondents of 26 to 33 years old (24%), and; 20 respondents of 34 to 40 years old (20%). For their occupation characteristic, most of them or 40% respondents were university students, 33% respondents were private employees, and 11% respondents were civil servants, while the rest of them are sellers, students, lecturers, teachers and entrepreneurs. These age and occupation characteristics help made this research digging deeper on the information of the respondent profile, since age and occupation differences also mean different characters and personalities.

**Table 2. Business Fields of Respondent' Workplace**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid University Student	40	40,0	40,0	40,0
Civil servant	11	11,0	11,0	51,0
Seller	4	4,0	4,0	55,0
Private Employee	33	33,0	33,0	88,0
Student	3	3,0	3,0	91,0
Lecturer	2	2,0	2,0	93,0
Teacher	4	4,0	4,0	97,0
Entrepreneur	3	3,0	3,0	100,0
Total	100	100,0	100,0	

**Total Effect**

Total effect is the effect of various relationships that sums direct effects and indirect effects. The direct effect is the coefficient of the line with one end arrow, while indirect effect is effect that arise through intervening variables.

**Table 3. Total Effect**

<b>Independent Variable</b>	<b>Dependent Variable</b>	<b>Intervening Variable</b>	<b>Direct Coef.</b>	<b>Indirect Coef.</b>	<b>Total Effect</b>
Brand Experience	Brand Trust	-	0,551		0,551
Brand Experience	Brand Satisfaction	-	0,327		0,327
Brand Experience	Brand Loyalty	-	0,604		0,604
Brand Experience	Brand Loyalty	Brand Trust	-	$0,551*0,665=0,366$	0,366
Brand Experience	Brand Loyalty	Brand Satisfaction	-	$0,327*0,188=0,061$	0,061
Brand Trust	Brand Loyalty	-	0,665		0,665
Brand Satisfaction	Brand Loyalty	-	0,188		0,188

Source: Primary data processing

Table 3 shows that the direct effect of Brand Experience on Brand Trust was 0.551, the direct effect of Brand Experience on Brand Satisfaction was 0.327, while the direct effect of Brand Experience on Brand Loyalty was 0.604. Table 3 also shows that the direct effect of Brand Trust on Brand Loyalty was 0.665 while the direct effect of Brand Satisfaction on Brand Loyalty was 0.188. For the indirect effect, Table 3 shows that the total effect of Brand Experience on Brand Loyalty through Brand Trust was 0.366, while the total effect of Brand Experience on Brand Loyalty through Brand Satisfaction was 0.061. From the total effect values, it can be seen that the variable with the greatest direct influence on Brand Loyalty is Brand Experience.

Later, it is revealed that the four dimensions of Brand Experience, which are sensory, affection, behavior, and intellectual, had the greatest total effect value of 0.604 on Brand Loyalty directly. Firstly, on the sensory indicator where the company creates experience through vision, sound, touch, smell, and taste, the company can create visual experience by displaying the products attractively and arranging the counter neatly and cleanly, while also paying attention to the details in fashion world such as logo, line, stitches, and fold as well. This effort aims to make old and new customers loyal to the trademark presented by the company. Secondly, on the affective indicator, the company can create a feeling of attachment by stimulating customers' mood, feeling and emotion. This is directly related to the fashion model and brand ambassador used by the company, while good quality and price which represent the company quality can create a good image to make the regular customers become more confident and thus loyal to the model provided by the company.

### CONCLUSIONS AND RECOMMENDATIONS

Based on the values of total effect, the greatest value for direct coefficient with a value of 0.604 was the Brand Experience variable on Brand Loyalty, and the greatest value for indirect coefficient was Brand Experience on Brand Loyalty through Brand Trust. This implies that the effect of Brand Experience on Brand Loyalty is greater directly, than through either Brand Satisfaction or Brand Trust as intervening variables. Thus, it can be said that providing good experience alone is enough to shape customers' behaviors in order to be loyal to the Walrus clothing products, without being given trust and or more satisfaction.

As for the recommendations, the Jaya Garment Sukses Makmur Company must keep providing products with good quality service facilities to meet the customers' needs and expectations for their fashion needs. These efforts must be done to make sure that the customers get best experience that can lead them to consumer trust, satisfaction and loyalty towards Walrus clothing products. Efforts on enhancing the facilities can be in form of online shopping, 24-hour online customer care, easy access for the customers, and giving promotions in form of discounts to the customers who recommend the products to others.

After find out that Brand Experience is the variable that has the greatest effect on Brand Loyalty without needing intervening variables, Walrus can focus its concentration on customer experience by providing quality materials, pricing, and updated model, so that the level of customer loyalty will be deeper and they can become regular customers.

### **RESEARCH LIMITATION**

Due to its time limitation, this research is only focused on the Walrus customers in Surabaya area. It is then suggested to expand the population of this research to the Walrus customers in all areas of Indonesia.

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