BRAND LOYALTY IMPROVEMENT THROUGH BRAND RELATIONSHIP

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Abstract

Brands have the goal of creating product-brand relationships to customers that are almost identical to individual or personal relationships, while the ultimate benefit of a brand is to provide a value proposition or customer relationship based on an organization's association. This study aims to see the influence of brand reputation, brand tribalism, brand personality to brand relationship and how brand relationship can increase brand loyalty. Respondents in this study are owners of Honda Brio vehicles for the island of Bali, because the population is not known then it was taken 150 vehicle owners that become respondents research. Data were analyzed using Structural Equation Model with Amos 22.0 application. The results show that brand reputation and brand tribalism have no effect on brand relationship, but positive influence on brand relationship is indicated from brand personality. Brand relationships also show a positive impact on brand loyalty. Conclusions and implications are based on research findings. Existing information can be used by the company to further to improve customer relationships so that customer loyalty to the product is maintained.

Keywords: Brand Reputation, Brand Tribalism, Brand Personality, Brand Relationship, Brand Loyalty

Introduction

Building strong customer relationships and to maximize sales, requires companies to use effective marketing programs to work for the company. Brands have the goal of creating product-brand relationships to customers that are almost identical to personal or individual relationships (Surachman, 2008), while the ultimate benefit of a brand is to provide a value proposition or customer relationship based on the organization's association, to provide credibility to other brands, the brand is also a vehicle for clarifying and crystallizing the culture and value of the organization within an organization (Aaker 1996).

Something produced in a factory is called a brand, and something consumers buy is called a brand. This means that a brand is more than just a product (Sheetharaman et al., 2001). Consumers foster and maintain strong relationships to specific brands, not with certain goods or services (Fournier, 1998). Customers can establish relationships to brands because the brand can be personified (Tjiptono, 2011). A unique and passionate relationship develops among consumers by brand (McAlexander, Schouton, and Koenig

2002). The relationships of brands and consumers are so prominent in the minds of consumers, varying for life cycle and in various forms (Fournier, 1998), this relationship is manifested in a brand community (Cova and Pace 2006; McAlexander, Schouten and Koenig 2002; Muniz and O'Guinn 2001; O'Guinn and Muniz 2005; Schau, Muniz, and Arnould 2009).

Literature Review

Brand is believed to be the driving motive for consumers in choosing a product, while the product is the result of processing / factory production. The brand is not just what is printed in the product or the packaging, but the brand is what the consumer thinks of and how the consumer associates it (Oentoro, 2012). If you want to build a truly lasting relationship, the brand should be placed and viewed as a worthy partner relationship (Fournier 1998). Brand relationships were once understood as interactions between customers and companies, and now brand relationships are not just interactions between customers and companies but also customers with other customers, customers with products, customers with brands, and customers with marketing entities. (McAlexander, Schouten, and Koenig 2002).

Brand personality is a series of human characteristics associated with the brand, where there is a tendency towards serving the utilitarian function of the consumer and the function of symbolic or self-expression (Keller, 1993). Emotional or personality values that can fit the consumer's self-image are in the brand (Tjiptono, 2011). The key element of a company's strategy lie in the brand. The company's promise to consistently deliver a diversity of customer benefits and service features is in the brand. The company's promise is what makes people know and know the brand compared to other brands. (Futrell and Stanton, 1989; Keagan et al., 1992; Aaker, 1991). If the brand of a company's products is well known and has a positive image it can be a force and a mainstay in determining the final value and success of a product (Kertajaya, 2004).

Brands can also be a means and a vehicle for meeting people, building relationships, and finding people that share the same interests that interaction can have (Yuswohady, 2004). This vehicle is known as community. Communities that are not geographically bound and have a social structure of managing relationships to brand lovers are called brand communities (Muniz and O'Guinn, 2001). Tribal brands also evolve from products that have the same value. This value is the result of emotional personalization. To create a tribal brand is a necessary process of combining the thousands of social interactions between customers with different aspects of their brand choice, creating networks of time to achieve socialized expression (Moutinho et al., 2008). The tribe is a network of people that have a heterogeneous passion or emotion together both in terms of gender, age, gender and income.

Brand loyalty is the tendency towards customers / consumers to behave positively toward a brand, then make the brand purchase continuously. There is the possibility that a customer will move to another brand when the brand makes a change, this is a process in formation of brand loyalty. Like the price changes or in the characteristics of the product as well as the brand loyalty. If loyalty to a brand is high then it is less likely to move to another brand (Keegan, et al, 1992).

Methodology

Data were collected by distributing questionnaires to 150 respondents that were owners of Honda Brio brand vehicles. The population is the entire owner of Honda Brio brand vehicle for Bali that is not known with certainty number, so the sample is taken based on purposive sampling. Data analysis using Structural Equation Model (SEM) with AMOS 22.0 application. this data analysis technique was chosen because it was adapted to the model in this study. Research model development and hypothesis can be described in the picture below:
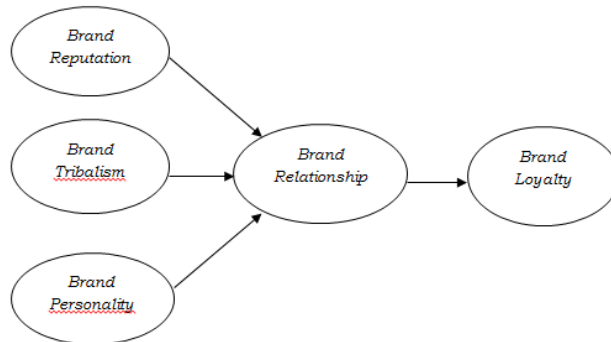
Fig.1 Research Model Development

The hypothesis proposed to this research is as follows:
H1: Brand Reputation has a positive effect on Brand Relationship
H2: Brand Tribalism has a positive effect on Brand Relationship
H3: Brand Personality has a positive effect on Brand Relationship
H4: Brand Relationship has a positive effect on Brand Loyalty

Testing Validity and Reliability Construct Research

***Analysis of Exogenous Existing Confirmation***
Exogenous construct confirmatory test results can be seen in Figure 2 below:
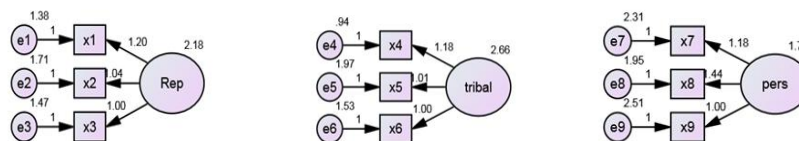
Fig. 2 Confirmatory Test Result of Exogenous Brand Reputation, Brand Tribalism, and Brand Personality

Figure 2 shows that the constructs of each research variable have a loading factor value greater than 0.7 so that it reflects those variables.

Analysis of Confirmation of Endogenous Constructs
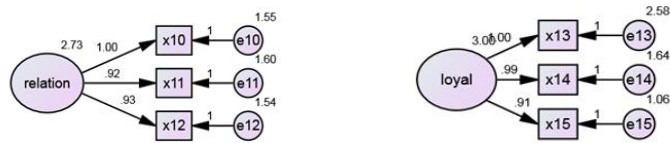
Fig. 3 Confirmatory Test Result of Exogenous Brand Relationship and Brand Loyalty

Figure 3 shows that the construct of brand relationship and brand loyalty has a loading factor values greater than 0.7 so that the variables reflect these two variables.

Structural Equation Model Analysis
Testing Data Normality Assumption

Normality of data seen from the value of skewness and kurtosis value. Data is normally distributed if it meets the limitations of normal univariate distribution and when the critical ratio value (c.r) of skewness and kurtosis is between -2.58 to 2.58, and the data is normally multivariate distributed if the multivariate value is less than 10 (Kline, 2011). a multivariate value of 1.568 indicating that the data used in this analysis has been normally distributed multivariate.

Conformity Testing of Structural Equation Models

Testing the suitability of the structural equation model to test the suitability between the structural equation models of the study and the sample data used. The model in the study has a good level of conformity. This can be seen from the estimated value that is dominated by the value of the level of fit fit (fit). Thus the model of structural equation has been in accordance with the sample used in the test. The results of the structural model test can be seen in Figure 4:
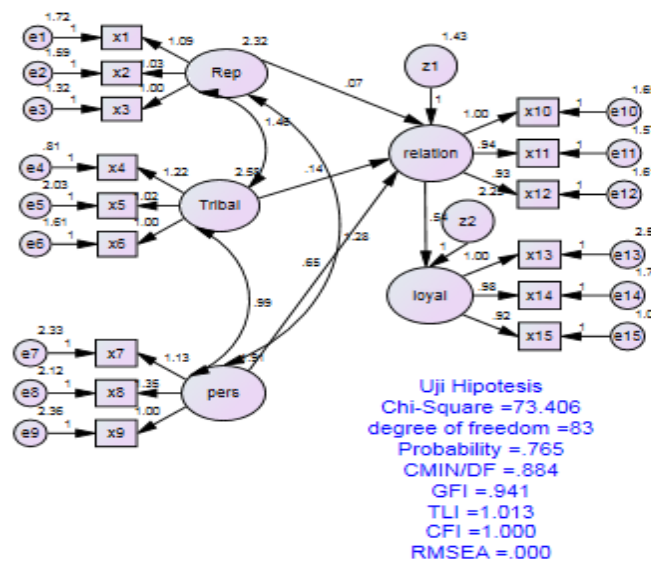
Fig.4 Full Model

Structural model above shows chi-square equals to 73,406 and degree of freedom equal to 83. Normal Chi Square values (CMIN / DF) equal to 0,884, value of Goodness of Fit Index (GFI) equal to 0,941, value of Adjusted Goodness of Fit Index (AGFI) 0,915 , the value of Root Mean Aft of Approximation (RMSEA) of 0.000, Tucker-Lewis Index (TLI) value of 1.013, Comparative Fit Index (CFI) value of 1,000, and PGFI of 0.651.

Hypothesis Testing

Model that has been declared fit based on the criteria of goodness of fit can be used for further testing.

Table 1.3 Regression Weights

Research Hypothesis			Estimate	S.E	C.R	P
Brand Relationship	←	Brand Reputation	0,067	0,143	0,472	0,637
Brand Relationship	←	Brand Tribalism	0,140	0,110	1,247	0,203
Brand Relationship	←	Brand Personality	0,653	0,159	4,105	***
Brand Loyalti	←	Brand Relationship	0,543	0,112	4,837	***

The results of the test of the first hypothesis show that Brand Reputation has no positive effect on Brand Relationship, it is seen from the estimated value of 0.067, SE of 0.143, CR of 0.472, and P value of 0.637 These values prove that hypothesis 1 is unacceptable to α = 0.05. The test result from the second hypothesis shows that Brand Tribalism has no positive effect on Brand Relationship, it is seen from the estimation value of 0.140, SE of 0.110, CR of 1.247 and P value of 0.203 These values prove that hypothesis 2 is unacceptable at α = 0.05. The result of testing for the third hypothesis shows that Brand Personality has positive effect on Brand Relationship, it is seen from the estimation value of 0.543, SE of 0.159, CR of 4.105 and the P value of 0,000 The values prove that hypothesis 3 is acceptable at α = 0, 05. Then the test results of the last hypothesis (fourth hypothesis) show that Brand Realtionship positively influences on Brand Loyalty, this is seen from the estimated value of 0.653, SE of 0.112, CR of 4.837 and P value of 0,000 These values prove that hypothesis 4 can received at α = 0.05.

Results

Based on the results of data analysis found brand reputation has no influence on the brand relationship. Brand reputation Honda has not been able to create a strong brand relationship to the respondents. The presence of Honda Brio as one of the successful city car market and has a market share should make the brand reputation is able to build brand relationships to customers, but the facts encountered in this study there is no strong influence of brand reputation for brand relationship, this is because by such as: firstly, currently in the competition market of four-wheeled vehicles, the reputation of the company or brand is no longer a factor that can form customer relationship with the brand due to the increasing number of consumer choices to choose a vehicle with specifications according to customer needs so that consumers no

longer care about reputation the brand is like, but how this brand can meet the needs of its users.

Then Brand Tribalism also has not been able to encourage consumers to have a strong relationship to this brand. Consumers decided to buy Honda Brio just because this car sold in the market and is also a city car that became the choice of many people. Although there are many communities that are made up of users of Honda Brio but do not to provide assurance that when consumers become part of this community then they will have a relationship of this brand.

Furthermore, brand personality formed by Honda Brio as a fashionable, tough and nimble city car able to harmonize the emotional value and lifestyle of target consumers so that consumers have a strong relationship to the brands they use. Personality Honda Brio as a city car can be a medium in consumer self expression to describe a particular personal image. When brands can express themselves in the image of personal imagery, there will be a relationship between brands and consumers.

Brand relationship to consumers able to make loyal consumers by still using Honda Brio. Strong brand relationships of consumers because the brand is able to meet the needs of consumers in different segments, so that consumers will be loyal to the brand. Positive behavior is shown by the consumer by keeping this brand as the primary choice in the next purchase and not switching to another brand. Honda Brio who has built a brand relationship to customers must maintain loyalty to customers because every company need to build loyalty which is an important factor of a brand in order to survive in business competition.

Conclusion

This research finds that the better brand personality created by Honda Brio for consumers, the higher the brand relationship between the Honda Brio brand and the consumer (vehicle owner), as well as the well-established and longstanding relationship between Honda Brio and Consumer then the higher the loyalty given by consumers / happened to the Honda Brio brand. This good influence, however, does not apply to Brand Reputation and Brand Tribalism to Brand Relationship, although the Honda Brio brand already has a reputable reputation for the product or the company as well as many of these vehicle lovers communities that are formed but are unable to improve or build relationships between consumers and brands.

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