



# THE EFFECT OF BRAND COMMUNICATION, BRAND IMAGE, AND BRAND TRUST ON BRAND LOYALTY IN ENERGEN CEREAL BEVERAGE PRODUCTS IN TANGERANG CITY INDONESIA

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## Abstract

*This study aims to determine the effect of brand communication, brand image, and brand trust on brand loyalty in energy cereal beverage products in the city of Tangerang, Indonesia. The research sample was taken as many as 133 respondents. The samples taken are on campuses, malls around Tangerang and in the working environment at PT. MAJORA HEADQUARTERS. The research uses Lisrel data processing or SEM. From the discussion of the results of the study, the following conclusions are obtained: H1 concludes that brand communication influences brand image in Tangerang City with T Value as much as 10.83 where Data supports hypothesis; H2 concludes Brand communication influences brand trust in Tangerang city with T Value as much as 2.01 where Data supports hypothesis, H3 concludes Brand image has an effect on brand trust in the city of Tangerang with a T Value of 6.80 where the data supports the hypothesis and the last H4 concludes that brand trust has an effect on brand loyalty in the city of Tangerang as much as 8.95 where data supports the hypothesis.*

*Keywords: Brand Communication, Brand Image, Brand Trust, Brand Loyalty*

## INTRODUCTION

Brand and brand management have wide spread support in the world of marketing these days. Many expert theorists, researchers and managers think that the future of marketing is all about brand management and effort surrounding branding activities. There possibly is no better investment for a company than investment in strong reliable brand with strong loyal consumers. Important objective of many companies is to have strong loyal consumer base and strong brand presence in the market place. Experts in economics believe that strong brand could create greater future value to a company. Brand not only is a useful and efficient tool for managers, brand is also a necessary strategy which could help organization create on-going competitive advantage. The higher the competition in the market, particularly in the services industry, the more companies consider their brand as a competitive advantage (Keller, 1993). Brand is an important communication tool in consumer relationship management, and that is valuable to consumers because (1) it reduces the consumers' risks and (2) saves decision making cost. Furthermore, brand is the only effective signal in the market that a company could use because of market information asymmetry. Information asymmetry exists within products and services because the risk of loss is on the customer. For that reason, to reduce or avoid the risk of loss, customers choose the brand that is trust worthy. If customers are disappointed with a brand, all the company's investment on future earnings would disappear. Brand is an influencing factor for companies to make the right branding strategy. Brand could be viewed as a mechanism to involve buyers and sellers in a long-term relationship. As a result, brand could be used as a defensive tool in marketing to keep existing loyal customers, and as an offensive tool to gain new customers. The importance of defensive marketing has been identified in this study. The cost to gain a new customer is higher than to retain an existing one. (Sweeney & Swait 2008). For that reason, marketers are at an evolutionary stage where marketers not only want to gain new customers, but to also maintain the loyalty of existing ones. Currently, customers satisfaction is just not enough and companies cannot rely just on it. Companies must also ensure that satisfied customers are loyal. In this paradigm, the long-term objective is to build a long-term relationship with concerned parties and most important of all is to maintain larger and loyal customer base. This would lead to higher brand recognition and higher profitability (Samadi et al, 2009). This concept holds an important role in creating long term value to companies because loyal customers do not need wide spread promotional action and they will happily pay more to get benefits from their favourite brand. That is the reason why brands that emphasize loyalties helps companies to compete effectively with global giant companies to gain market share in the global market (Javadeyn et al, 2010). To that end, it could be said that the most important characteristics of a brand are brand trust and brand loyalty which could be gained

via brand communications and quality of service. In a competitive market place, brand loyalty is an effective way to sell product and services. Brand loyalty (as an end) is also important in evaluating which factors (as means to get brand loyalty) that are effective in designing marketing strategies required for a company to be able to compete in the market and gain more customers. That is why the main purpose of this study is to investigate brand communications and brand image as factors that build brand trust and brand loyalty. In particular, this study focus on the case of PT MAYORA HEADQUARTERS in Indonesia. Ultimately, the end result is to have a deeper understanding on the concept of brand communications, brand image and brand trust and how managers and marketers apply them to increase brand loyalty.

## **LITERATURE REVIEW**

### **Brand communications**

According to Ghodeswar (2008) brand is defined as a set of customers experiences which resulted from all contact points customers had with the product. Keller (1993) also showed that brand is a mix of psychological symptoms and subjectivity in the mind of consumers which add value to the product or services. These symptoms have to be unique, out of the ordinary and desired. Brand communications is the key to integrated marketing and is the center of all that consumers wanted. Brand communication is the continuous relationship to customers. It is also creates and regulates the tasks that hold key roles in building the relationship between brand and customers. It exposes the customers to the brand and increases customers awareness and memory to the brand so that customers would buy brand with the highest value. That is the reason why brand communication must increase brand loyalty to maintain strong tie between customers and brand from time to time (Duncan & Moriarity, 1998). Brand communications is the primary integrating element that connect brand to the customers and create the certain attitude to the brand in the mind of customers (Sahin et al, 2012). Brand does impact the buying behavior of consumers. Positive attitude towards a brand such as brand trust and brand loyalty is very important towards the long-term success of the brand. That is why marketers spend a great deal of effort to create and maintain positive attitude towards their brand (Zehir et al, 2011).

### **Brand image**

Brand image is defined as the mental picture in customers' mind about what is being offered and include all symbolic meanings that customers associated with particular attributes of the product or services (Salinas and Pérez, 2009; Bibby, 2011). Sääksjärvi and Samiee (2012) defined brand image as a series or sum total of brand association that customers remember

which created a perception of a brand. Whereas Low and Lamb (200) define brand image as a logical or emotional perception that customers attach to a brand. In other words brand image is seen as a representation of a brand in the mind of customers and is connected to the presentation or perception about the brand by the customers as reflected in brand association (Cretu and Brodie, 2007). So brand image is the core of service or product. In the business market brand image can also be expected to play an important role, especially in situations where it is difficult to differentiate quality-based products or services that are real (Mudambi, Doyle and Wong, 1997; Shankar, Azar, and Fuller 2008). Brand images are usually communicated to customers that make them believe their products are of a certain level and make them decide to buy (Torres and Bijmolt, 2009). Marketers usually assume that the brand image is the basis on which the customer evaluates the quality of the product or service, namely the physical guess about the product (Cretu and Brodie, 2007). The understanding is that customers will use brand image to take a conclusion about a product or service, or to maintain awareness of the quality of a product or service (Bibby 2011). Also, brand image could be seen as a set of relative localization, standard identical quality guarantee and functional attribute of the product or service which resulted in customers view their own self image and assist them in making their purchase decision (Aghekyan-Simonian, Forsythe, Kwon and Chattaraman, 2012). Furthermore, in literature there is a mention that products with strong brand image can reduce cognitive risk and increase the value of product or services for customers (Kwon and Lennon, 2009). In this instance customers often use brand image to make conclusion about the quality of the product or services and influence customers behavior (Salinas and Pérez, 2009). Thus quality of the brand image indirectly make customers recognize the quality of the product or services (Sääksjärvi and Samiee, 2012). Ideal use of brand image not only help companies to have position in the market, but also to defend the brand from competitors (Cretu and Brodie, 2007). That is why companies these days work very hard to maintain brand image and invest effort and money into develop a good image (Shankar, Azar, and Fuller, 2008). Because the importance of brand image is well known, it is no wonder that brand image is considered to be prime topic in marketing (Torres and Bijmolt, 2009).

### **Brand trust**

Brand trust as defined by Morgan & Hunt (1994), is a hope that an exchange between trust and image would take place and a believe that brand trust would lead to brand commitment because trust has facilitated a relationship exchange. Trust leads to certainty that the other party is trust worthy and it would lead to a cooperation that is strong, honest and beneficial. A good brand is a brand that focus on real needs of customers that are satisfied by the product or service. Brand

Trust that exceeds consumers satisfaction level with functional performance will make consumers loyal towards that brand. That is why Brand Trust is proposed as an important element to build long term relationship between consumers and brand which generate brand loyalty (Ha & Perks, 2005). Brand trust is the customers' willingness to rely on the ability of a brand to deliver the stated functions. Current marketing literature revealed that trust is more important in uncertain situations, when there is information asymmetry and when there is fear of opportunism (Chiu, Huang and Yen, 2010). Thus the role of trust is to reduce uncertainty, reduce information asymmetry and make customers more comfortable with their brand (Gefen, Karahanna and Straub, 2003; Pavlou, Liang and Xue, 2007). As an example, if customers are aware of the use value and hedonist value of their brand, trust will increase (Carroll and Ahuvia, 2006). In this research brand trust is the willingness of an average customer to rely on their brand to deliver the promised function (Wang and Emurian 2005).

### **Brand loyalty**

Brand loyalty is, according to American Marketing Association (AMA), a special privilege where a customer repeatedly buys from a supplier instead of from other suppliers. It also said that brand loyalty is a behavioural response that is relatively fanatic when shopping. In this situation consumers have the tendency to buy again the same brand. This reaction is a function of cognitive process that customers revealed when they were faced with the same products in every respect and yet the majority of customers would buy the brand they knew (Vazifedost et al, 2010). According to Chang and Chang (2001), brand loyalty gives an indication about customers' preference to buy one brand within a product class from a given expected quality, not because of the price. Current literature about branding define brand loyalty as consist of two dimensions: behaviour and assumptions about the brand (Algesheimer et al., 2005). So the attitude of a loyal customer who is willing to support the preferred product is different to that of a customer who is forced to buy but not enthusiastic to give a word of mouth support (Ching and Chang 2006). According to research of Morrison and Crane (2006) brand loyalty is defined as commitment to repeat-buy a preferred product or services in the future.

### **Hypothesis Development**

To empirically test the relationship between brand communication, brand trust and brand loyalty, one conceptual model was created based on marketing articles and particularly article in literature about brand management. In this model concept brand communication is a predictor whilst brand image dan brand trust are supporting variables or mediator. Brand loyalty is the

only output variable. Figure 1 shows the concept of the model. The hypothesis about the relationship between the variables will be discussed below.

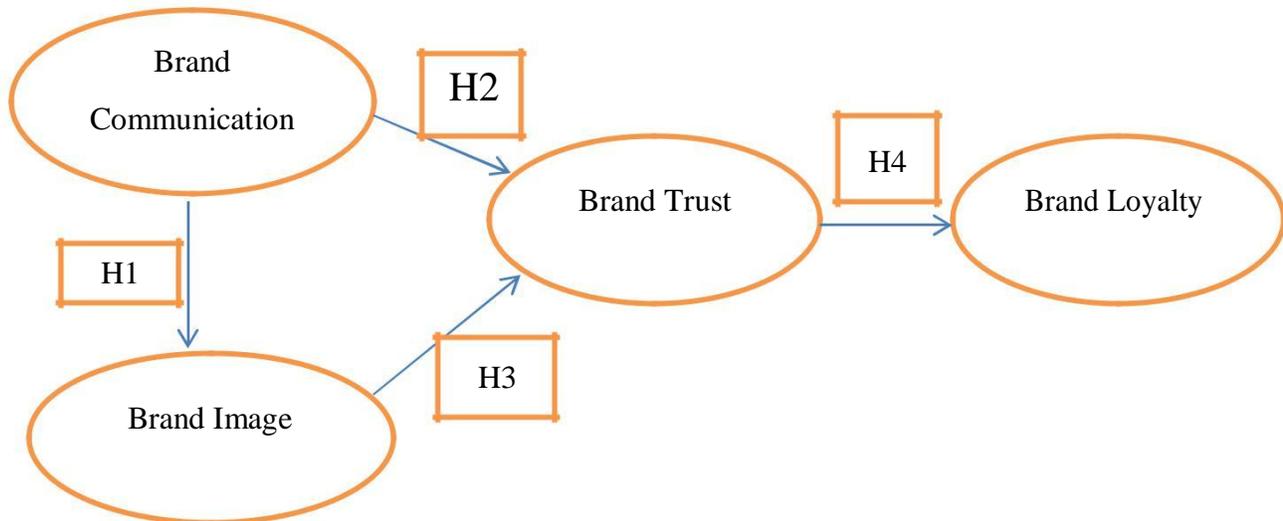


Figure 1 Conceptual Model

### Brand Communication and Image

According to Jones and Kim (2011) states that Brand Communication is when ideas or images of products or services marketed have been identified and recognized by many consumers. Brand communication is not only for building brand recognition, but also building a good reputation and a set of standards that must be surpassed by companies (Sahin, 2011). Marketers need to communicate about other customers' experiences with brands, for example customer satisfaction using a brand and how it brings joy and comfort that makes customers want to buy the brand again. All of this will build a brand image in the customer's mind. So this can be said that the more brand communication increases, the higher the expectations of the brand image that customers conceptualize. Previous empirical evidence has found a positive relationship between brand communication and brand image (eg Narayanan and Manchanda, 2009).

H1 : Brand communication has a lot of positive effects on brand image in Tangerang City

### Brand communication and brand trust

Kotler (2007) states that Brand Images are perceptions and beliefs carried out by consumers, such as reflecting on associations that occur in consumer memory. When consumers use a particular brand, they will be connected to the brand, meaning consumers will bring along the image of the user as well as the characteristics of the brand 47 (Ferrinadewi, 2008). Therefore,

someone who uses a particular brand can interpret and image the brand with a variety of views that vary from one to the other in accordance with his knowledge. Satisfaction with the brand will lead to a positive attitude towards the brand (Shankar, Azar and Fuller, 2008). Therefore, it can be called that the higher brand communication by marketers, the higher brand trust from customers can be expected (e.g. Su and Rao, 2010), so brand communication can be expected to lead to brand trust in the city of Tangerang.

H2: Brand communication has a positive effect on brand trust in the city of Tangerang

### **Brand Image and Brand Trust**

Brand trust can be defined to what extent consumers believe that certain brands can fulfill their beliefs or desires (Zhou et al., 2011). Therefore, trust is considered a very important component in establishing relationships between organizations and consumers cooperatively. Consumer trust in a brand usually arises because consumers value the quality of a product or service with what they see or understand. Therefore companies need to build consumer confidence in the brand through the products or services they offer, so that the level of consumer trust is higher for the company and creates customer satisfaction. the higher the customer's trust in the brand, the more likely they are to trust the brand. Previous research supports a positive relationship between brand image and brand trust (Cretu and Brodie, 2007). So the better the brand image, the more positive the brand's products will be in the eyes of customers (Bennetta, Charmine and McColl-Kennedy, 2005).

H3: Brand image has a lot of positive impact on brand trust in Tangerang city

### **Brand trust and brand loyalty**

Brand loyalty is closely related to experience in using brands. So the occurrence of Brand Loyalty in consumers is caused by the influence of satisfaction or dissatisfaction with a brand that accumulates continuously in addition to the perception of the quality of the product or service. Consumers who are loyal to a product or service brand will repurchase products with the same brand. Brand Loyalty leads to certain marketing benefits such as reduced marketing costs, 48 more new customers, and greater trade influence (Algesheimer, 2005). According to Agustin and Singh (2005), trust reduces uncertainty where customers feel very weak because customers know they can rely on a trusted brand. So it can be placed that the higher the level of brand trust, the higher the customer loyalty. Previous empirical evidence has found a positive relationship between brand trust and brand loyalty (eg, Morgan and Hunt, 1994; Doney and Cannon, 1997).

H4: Brand trust has a positive effect on brand loyalty in the city of Tangerang

## RESEARCH METHODOLOGY

The targeted population is customers in the city of Tangerang who buy energy cereal beverage products. Data taken from consumers who like Energetic Cereal Beverage Products. By way of distributing the questionnaire to campus, go to the Mall, the surrounding area and use the Google Form questionnaire. Aspects of this study include: brand communication, brand image, and brand trust on brand loyalty. The sampling method uses random samples involving 133 respondents from various groups including: gender, age, and based on education. Methods of data analysis in this study using Structural Equation Modeling (SEM). LISREL is a tool for analyzing the Structural Equation Model (SEM) model. The SEM model is a model that combines factor analysis approaches, structural models, and simultaneous path analysis. The approach with analysis using this software has been widely used in various studies in the world, one of its main functions is to find out the relationship of several variables at once so as to get a comprehensive picture of a case either directly or indirectly with very high accuracy (Hair, Anderson, Tatham and Black., 2010).

The scale of the research was made operational based on previous research. Modifications are made to fit the context and purpose of the study. "Brand communication" measures the six-item scale taken from Zehir, Sahin, Kitapci and Ozsahin (2011). "Brand image" uses an eight-item scale measure taken from Salinas and Perez (2009). "Brand trust" and "Brand Loyalty" use a four-item scale measure taken from M Chaudhuri and Holbrook (2001). All measurement items are measured in "five-point Likert-type scales" which consists of 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree. Individual scale items are listed in Appendix 1.

Hair, et al. (2010) suggested that, evaluation of the level of data compatibility with the model was carried out through several stages, namely overall testing and individual testing for structural models and measurement models.

## ANALYSIS AND FINDINGS

### Profile of respondents

Respondents are asked to provide their demographic information including gender, age, and based on education. Most of the respondents were women (48.1%) and men (51.9%). Age Based Respondents 15 Years - 25 Years (37%) 26 years -35 years (40.7%) 36 years - 45 years (17.3%) and above 45 years (4.9%) of respondents based on work mostly are Private Employees (64.2%) Self Employed (22.2%) Civil Servants (7.4%) and Students / Students (6.2%).

## Measurement Model Analysis

The measurement model analysis is done to specify indicators (observed variables) for each construct variable, and calculate the reliability value for the construct.

### Factor Validity Test Results

According to recommendations from Hair, et al. (2010) that the observation variables that are worthy of being used as an operational construct or latent variable must have a loading factor that is greater than 0.5 so that the model used has a good match, in addition to the t-value. The loading factor must be greater than the critical value ( $> 1.96$ ). From the analysis of the validity of the study construct can be seen in Table 1 below:

Table 1 Results of Measurement of Construct Validity

| Operational | Variable      | Loading Factor | T Value | Inference |
|-------------|---------------|----------------|---------|-----------|
| BC1         |               | 0,91           | 13,54   | Accepted  |
| BC2         |               | 0,93           | 14,18   | Accepted  |
| BC3         | Brand         | 0,94           | 14,42   | Accepted  |
| BC4         | Communication | 0,89           | 13,14   | Accepted  |
| BC5         |               | 0,92           | 13,74   | Accepted  |
| BC6         |               | 0,85           | 12,07   | Accepted  |
| BI1         |               | 0,89           |         | Accepted  |
| BI2         |               | 0,90           | 15,83   | Accepted  |
| BI3         | Brand Image   | 0,65           | 8,96    | Accepted  |
| BI4         |               | 0,94           | 17,80   | Accepted  |
| BI5         |               | 0,80           | 10,01   | Accepted  |
| BI6         |               | 0,85           | 14,49   | Accepted  |
| BT1         |               | 0,79           |         | Accepted  |
| BT2         | Brand Trust   | 0,85           | 11,77   | Accepted  |
| BT3         |               | 0,79           | 10,48   | Accepted  |
| BL1         |               | 0,86           |         | Accepted  |
| BL2         | Brand Loyalty | 0,88           | 12,52   | Accepted  |
| BL3         |               | 0,92           | 11,17   | Accepted  |
| BL4         |               | 0,61           | 7,71    | Accepted  |

From Table 1 shows that all questionnaires for each variable brand communication, brand image, brand trust and brand loyalty can be said to be accepted / valid because the factor

loading value all has a good match ( $> 0.50$ ) while the t-value value is greater from t-table (1.96) at the 5% significance level.

### Construction Reliability Test Results

The calculation results from construct reliability and variance extracted can be seen in Table 2.

Table 2 Result of Construct Reliability and Variance Extracted

| Variable                   | Standard Loading | Error | Construct Reliability |                                    |              |             | Variance Extracted            |                                    |             |
|----------------------------|------------------|-------|-----------------------|------------------------------------|--------------|-------------|-------------------------------|------------------------------------|-------------|
|                            |                  |       | $\sum$ Std. Loading   | $(\sum$ Std. Loading) <sup>2</sup> | $\sum$ Error | CR          | Standard Loading <sup>2</sup> | $\sum$ (Std. Loading) <sup>2</sup> | VE          |
| <b>Brand Communication</b> |                  |       |                       |                                    |              |             |                               |                                    |             |
| BC1                        | 0,91             | 0,17  |                       |                                    |              |             | 0,82                          |                                    |             |
| BC2                        | 0,93             | 0,13  |                       |                                    |              |             | 0,86                          |                                    |             |
| BC3                        | 0,94             | 0,11  |                       |                                    |              |             | 0,88                          |                                    |             |
| BC4                        | 0,89             | 0,20  | 5,44                  | 29,5                               | 1,05         | <b>0,96</b> | 0,79                          | 4,91                               | <b>0,82</b> |
| BC5                        | 0,92             | 0,16  |                       |                                    |              |             | 0,84                          |                                    |             |
| BC6                        | 0,85             | 0,28  |                       |                                    |              |             | 0,72                          |                                    |             |
| <b>Brand Image</b>         |                  |       |                       |                                    |              |             |                               |                                    |             |
| BI1                        | 0,89             | 0,21  |                       |                                    |              |             | 0,79                          |                                    |             |
| BI2                        | 0,90             | 0,19  |                       |                                    |              |             | 0,81                          |                                    |             |
| BI3                        | 0,65             | 0,50  |                       |                                    |              |             | 0,25                          |                                    |             |
| BI4                        | 0,94             | 0,12  | 5,03                  | 25,3                               | 1,64         | <b>0,94</b> | 0,01                          | 2,05                               | <b>0,55</b> |
| BI5                        | 0,80             | 0,35  |                       |                                    |              |             | 0,12                          |                                    |             |
| BI6                        | 0,85             | 0,27  |                       |                                    |              |             | 0,07                          |                                    |             |
| <b>Brand Trust</b>         |                  |       |                       |                                    |              |             |                               |                                    |             |
| BT1                        | 0,79             | 0,37  |                       |                                    |              |             | 0,62                          |                                    |             |
| BT2                        | 0,85             | 0,27  | 2,43                  | 5,9                                | 0,94         | <b>0,86</b> | 0,72                          | 1,96                               | <b>0,67</b> |
| BT3                        | 0,79             | 0,30  |                       |                                    |              |             | 0,62                          |                                    |             |
| <b>Brand Loyalty</b>       |                  |       |                       |                                    |              |             |                               |                                    |             |
| BL1                        | 0,86             | 0,26  |                       |                                    |              |             | 0,73                          |                                    |             |
| BL2                        | 0,88             | 0,20  |                       |                                    |              |             | 0,77                          |                                    |             |
| BL3                        | 0,92             | 0,15  |                       |                                    |              |             | 0,84                          |                                    |             |
| BL4                        | 0,61             | 0,62  | 3,27                  | 10,6                               | 1,23         | <b>0,89</b> | 0,37                          | 2,71                               | <b>0,68</b> |

Source: SEM Lisrel test results

Good reliability requirements according to Hair, et al. (2010) are having the reliability construct > 0.60 and variance extracted > 0.50. From the above calculation (Table 1.2), it can be seen that all brand communication variables, brand image, brand trust and brand loyalty have met the reliability requirements well, which is the brand reliability value of brand communication of 0.96, brand image of 0.94, brand trust is 0.86 and brand loyalty is 0.89. The value of variance extracted brand communication is 0.82, brand image is 0.55, brand trust is 0.67 and brand loyalty is 0.68 (variance extracted > 0.50).

### Structural Test Analysis

The next step is to carry out structural tests, which are structural tests to see the relationship between construct variables.

Table 3 Structural Equation Model Testing

| No | Structural Equation Model   |
|----|---|
| 1  | $BI = 0.87*BC$ , Errorvar.= 0.25 , $R^2 = 0.75$<br>(0.080) (0.041)<br>10.83 6.09                      |
| 2  | $BT = 0.77*BI + 0.21*BC$ , Errorvar.= 0.088 , $R^2 = 0.91$<br>(0.11) (0.10) (0.045)<br>6.80 2.01 1.95 |
| 3  | $BL = 0.71*BT$ , Errorvar.= 0.28 , $R^2 = 0.72$<br>(0.079) (0.071)<br>8.95 3.96                       |

Source: SEM Lisrel test results

The structural model equation can be seen in Table 3 which, the  $R^2$  value for each equation functions to show how far the independent variable is able to explain the dependent variable. The results that can be analyzed are first, BC (Brand Communication) affects BI (Brand Image) with  $R^2$  of 0.75. It can be interpreted that 75% of the variants of BI (Brand Image) can be explained by the variable BC (Brand Communication), while the remaining 25% can be explained by other variables not found in this study.

The second analysis is BC (Brand Communication) and BI (Brand Image) affect BT (Brand Trust) with  $R^2$  of 0.91. This means that 91% of the variant of BT (Brand Trust) can be explained by the variables BC (Brand Communication) and BI (Brand Image), while the remaining 9% can be explained by other variables not found in this study. Furthermore, the third analysis, namely BT (Brand Trust) affects BL (Brand Loyalty) with  $R^2$  of 0.72. This means that

72% of the variants affecting BL (Brand Loyalty) can be explained by BT variables (Brand Trust), while the remaining 28% can be explained by other variables not found in this study.

### Compatibility Analysis of All Models

To see the compatibility of the whole model (goodness of fit) there are several criteria that can be used. The results of the analysis of goodness of fit in this research model are as follows:

Table 4 Analysis Goodness of Fit

| <b>Group</b> | <b>Indicator</b>           | <b>Value</b>  | <b>Inference</b>    |
|--------------|----------------------------|---------------|---------------------|
| 1            | <i>Degree of Freedom</i>   | 135           | <i>Good fit</i>     |
|              | <i>Chi Square</i>          | 197,09        |                     |
|              | <i>NCP</i>                 | 54,29         |                     |
|              | <i>Confidence Interval</i> | 21,95 ; 94,66 |                     |
| 2            | <i>RMSEA</i>               | 0,055         | <i>Good fit</i>     |
|              | <i>Confidence Interval</i> | 0,035 ; 0,073 |                     |
|              | <i>P Value</i>             | 0,31          |                     |
| 3            | <i>ECVI Model</i>          | 2,27          | <i>Good fit</i>     |
|              | <i>ECVI Saturated</i>      | 2,88          |                     |
|              | <i>ECVI Independence</i>   | 67,26         |                     |
|              | <i>Confidence Interval</i> | 2,02 ; 2,57   |                     |
| 4            | <i>AIC Model</i>           | 299,29        | <i>Good fit</i>     |
|              | <i>AIC Saturated</i>       | 380,00        |                     |
|              | <i>AIC Independence</i>    | 8878,60       |                     |
|              | <i>CAIC Model</i>          | 513,25        |                     |
|              | <i>CAIC Saturated</i>      | 119,17        |                     |
|              | <i>CAIC Independence</i>   | 8952,52       |                     |
| 5            | <i>NFI</i>                 | 0,98          | <i>Good fit</i>     |
|              | <i>CFI</i>                 | 0,99          |                     |
|              | <i>NNFI</i>                | 0,99          |                     |
|              | <i>IFI</i>                 | 0,99          |                     |
|              | <i>RFI</i>                 | 0,97          |                     |
|              | <i>PNFI</i>                | 0,77          |                     |
| 6            | <i>Critical N</i>          | 118,97        | <i>Marginal fit</i> |
| 7            | <i>GFI</i>                 | 0,87          | <i>Marginal fit</i> |
|              | <i>AGFI</i>                | 0,82          |                     |
|              | <i>PGFI</i>                | 0,62          |                     |

a. Chi Square. Value of Chi Square: 197.09. The smaller the model the more appropriate the theoretical model and sample data (Chi Square value divided by Degree of Freedom). The ideal value of  $<3$  is good fit. From the results of the divider obtained a value of 1.45. This shows a good match, because the value is smaller  $<3$  then the results show good fit.

Testing 2: Root Mean Square Error of Approximation (RMSEA)

a. RMSEA = 0.055, then the match is sufficient for good fit. (Where RMSEA  $<0.05$  is close fit, RMSEA  $<0.08$  is good fit, RMSEA  $<0.10$  marginal fit, and RMSEA  $> 0.10$  poor-fit).

b. Confidence intervals are used to assess the performance of the RMSEA estimates. At the output there is a 90% confidence interval (0.035; 0.073) around RMSEA.

c. P-value for test of good fit (RMSEA  $> 0.05$ ) = 0.31, for this study the value of p-value  $> 0.05$ .

Testing 3: Expected Cross Validation Index (ECVI)

a. ECVI models (2.27) compared with ECVI saturated models (2.88) and ECVI independence models (67.26).

b. The ECVI model is slightly smaller than the ECVI saturated model and the difference is far greater than the ECVI independence model, or in other words the ECVI saturated approaching the ECVI model rather than the independent ECVI model, as well as the 90% confidence interval is 2.02; 2.57, a good match is obtained (located around the ECVI model).

Testing 4: Akaike Information Criterion (AIC) and Consistent Akaike Information Criterion (CAIC)

a. AIC model (299.29) compared with AIC saturated model (380.00) and AIC independence model (8878.60). The AIC model is slightly smaller than the AIC saturated model and the difference is far greater than the AIC independence model, so the smaller value indicates a good match.

b. The CAIC model (513.25) is far from the CAIC saturated model (1119.17) and further from CAIC independence (8952.52), the smaller value indicates a good match.

Test 5: Fit Index

a. The Normed Fit Index (NFI) = 0.98 (above 0.90) indicates good fit.

b. CFI = 0.99 (above 0.99) indicates good fit.

c. Tucker-Lewis Index or Non Normed Fit Index (NNFI) = 0.99 ( $> 0.90$ ) (above 0.90) indicates good fit.

d. Incremental Fit Index (IFI) = 0.99 (above 0.90) indicates good fit.

e. Relative Fit Index (RFI) = 0.97 (above 0.90) indicates good fit.

f. Parsimonius Normed Fit Index (PNFI) = 0.77 (above 0.6) then it can be used for comparison of models, showing good compatibility.

Testing 6: Critical N

a. Critical N (CN) = 118.97 < 200, the model does not represent the sample size of the data or marginal good fit (> 200, the model represents the data size or good fit).

Test 7: Goodness of Fit

a. Root Mean Square Residual (RMR) is a residual average value that results from a fitting between the variance-covariance matrix of the model and the variance-covariance matrix from the sample data.

b. Standardized RMR = 0.046 indicates good fit (below 0.05 indicates good fit).

c. Goodness of Fit Index (GFI) = 0.87 shows marginal fit (above 0.90 indicates good fit) and Adjusted Goodness of Fit Index (AGFI) = 0.82 indicates marginal fit (above 0.90 indicates good fit).

d. Parsimony Goodness of Fit Index (PGFI) = 0.62 means good fit (above 0.6 is used for comparison of models, indicating good fit).

From the analysis in groups 1 to 7, almost all tests showed good compatibility including: Chi Square, RMSEA, ECVI, AIC and CAIC, and Fit Index. While there are marginal fit results in Critical N and Goodness of Fit. From the results of the analysis above, it can be concluded that compatibility across the models fulfills the goodness of fit. Furthermore, this study produces the path diagram as follows:

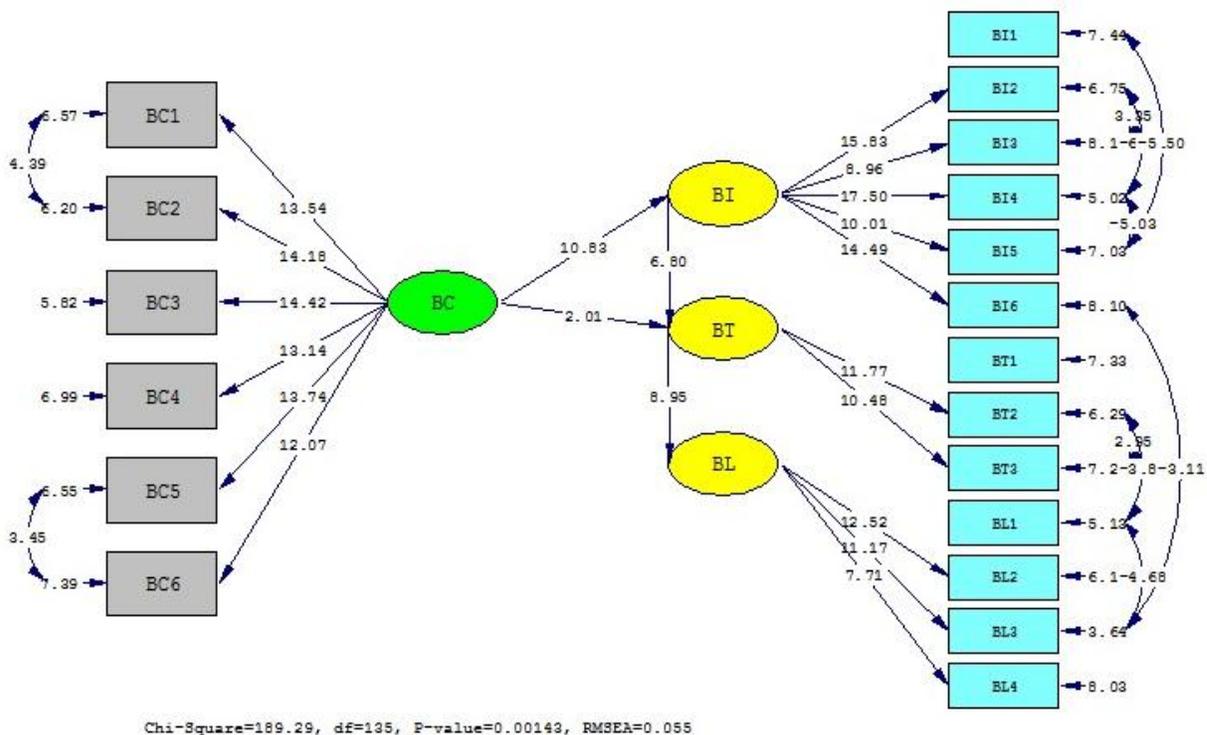


Figure 2 Path Diagram T-Value

## Hypothesis testing

Table 5 Hypothesis Testing Results

| Hypothesis     | Statement of hypothesis                                      | T-Value | Description        |
|----------------|--|---------|--------------------|
| H <sub>1</sub> | Brand communication influences brand image in Tangerang City | 10,83   | Hypothesis support |
| H <sub>2</sub> | Brand communication influences brand trust in Tangerang city | 2,01    | Hypothesis support |
| H <sub>3</sub> | Brand image influences brand trust in Tangerang city         | 6,80    | Hypothesis support |
| H <sub>4</sub> | Brand trust affects brand loyalty in the city of Tangerang   | 8,95    | Hypothesis support |

Source: results of SEM Lisrel data processing

## CONCLUSION

From the results of the research that I have done at PT. MAYORA HEADQUARTERS with as many as around 133 Respondents, I can conclude as follows, Results that can be analyzed, first, BC (Brand Communication) affects BI (Brand Image) with R2 of 0.75. It can be interpreted that 75% of the variants of BI (Brand Image) can be explained by the variable BC (Brand Communication), while the remaining 25% can be explained by other variables not found in this study. The second analysis is BC (Brand Communication) and BI (Brand Image) affect BT (Brand Trust) with R2 of 0.91. This means that 91% of the variant of BT (Brand Trust) can be explained by the variables BC (Brand Communication) and BI (Brand Image), while the remaining 9% can be explained by other variables not found in this study. Furthermore, the third analysis, namely BT (Brand Trust) affects BL (Brand Loyalty) with R2 of 0.72. This means that 72% of the variants affecting BL (Brand Loyalty) can be explained by BT variables (Brand Trust), while the remaining 28% can be explained by other variables not found in this study.

## LIMITATIONS OF RESEARCH

Research refers to some weaknesses in this study. Some limitations that exist in this research that this research only at customers in the city of Tangerang (Indonesia), who buy energy cereal beverage products. In addition, the limitations of variables in this study only aspects of: brand communication, brand image, and brand trust on brand loyalty. Furthermore, the possibility of the respondents did not fill the actual or just fill based on ideal conditions and not the actual conditions that are happening.

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## APPENDIX 1

### Measurement Instruments

Brand Communication ( Zehir, Sahin, Kitapci and Ozsahin, 2011)

I react favorably to the advertising and promotions of this brand

I feel positive toward the advertising and promotions of this brand

The advertising and promotions of this brand are good

The advertising and promotions of this brand do good job

I am happy with the advertising and promotions of this brand

I like the advertising and promotions of this brand

Brand Image ( Salinas and Perez, 2009)

The products of this brand have a high quality

The products of this brand have better characteristics than competitors

The products of the competitors' brand are usually cheaper

This brand is nice

This brand has a personality that distinguishes itself from competitors

This brand does not disappoint its customers

This brand is one of the best brands in the sector This brand is very consolidated in the market

Brand Trust (Chaudhuri and Holbrook, 2001)

I rely on this brand

This is an honest brand

This brand is safe

Brand Loyalty ( Chaudhuri and Holbrook, 2001)

The next time I need that product,I will buy the same brand

I intend to keep purchasing this brand.

I am committed to this brand

I would be willing to pay a higher price for this brand over other brands.