INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY IN BRAND IMAGE AND CUSTOMER LOYALTY PT. TIRTA INVESTAMA (DANONE-AQUA)

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Abstract

The implementation of marketing strategies plays an important role in efforts to increase sales and market penetration, especially in competitive market conditions. The social activities undertaken determine the sustainability and development of the company. This research was conducted with the aim to see the effect of corporate social responsibility by the company on brand image and consumer loyalty. This study used a non-probability sampling convenience sampling method by distributing questionnaires to 100 respondents using direct forms and Google Drive. Respondents namely consumers of PT. Tirta Investama (DANONE-AQUA) who knows the company's social programs. The results of this study indicate that corporate social responsibility has a positive influence on brand image. The results of this study also show that social responsibility has a positive effect on customer loyalty.

Keywords: Corporate Social Responsibility, Brand Image, Customer Loyalty, Functional Brand Image, Emotional Brand Image

INTRODUCTION

Now every marketer must be able to see all kinds of business gaps and consumer demand in targeting the right market share to be able to succeed in the intense competition and get profits. So that by knowing what the wants and needs of consumers, a company can carefully design and produce a new product before it is thrown into the market. However, it cannot be denied, that at this time the business world is no longer oriented solely to seek profit or pay attention to financial records, but also pay attention to social and environmental aspects in relation to the environment and people. The classic theory formulated by Adam Smith "the only duty of the corporation is to make profit" adopted by the corporation (Friedman, 1970) has changed with the emergence of awareness that the continued growth of the business world will not occur without adequate support from stakeholders who surround it such as managers, consumers, laborers and community members. The social responsibility program is important to be implemented by the company because the company's profit depends on the community and the environment. For that to build the good side of the company so that it looks reliable and can be trusted by consumers, it becomes very important to be targeted by a company providing products or services. This can be seen from how companies can form their own brand image which is recognized as superior and more classy than competitors.

Corporate Social Responsibility

Carroll suggests that CSR includes four types of social responsibility: economic, legal, ethical, and philanthropic in the "Corporate Social Responsibility Pyramid. These four dimensions can be described as pyramids. It is proposed that all these components always exist to some extent, but ethical and philanthropic responsibilities have only attracted significant attention in recent years (Carroll, 2016). Carroll stated that "business organizations are created as economic entities that are designed to provide goods and services to community members", and profitability is the main motive for entrepreneurship. As such, all other responsibilities are based on the economic responsibilities of the business organization (Carroll, 2016).
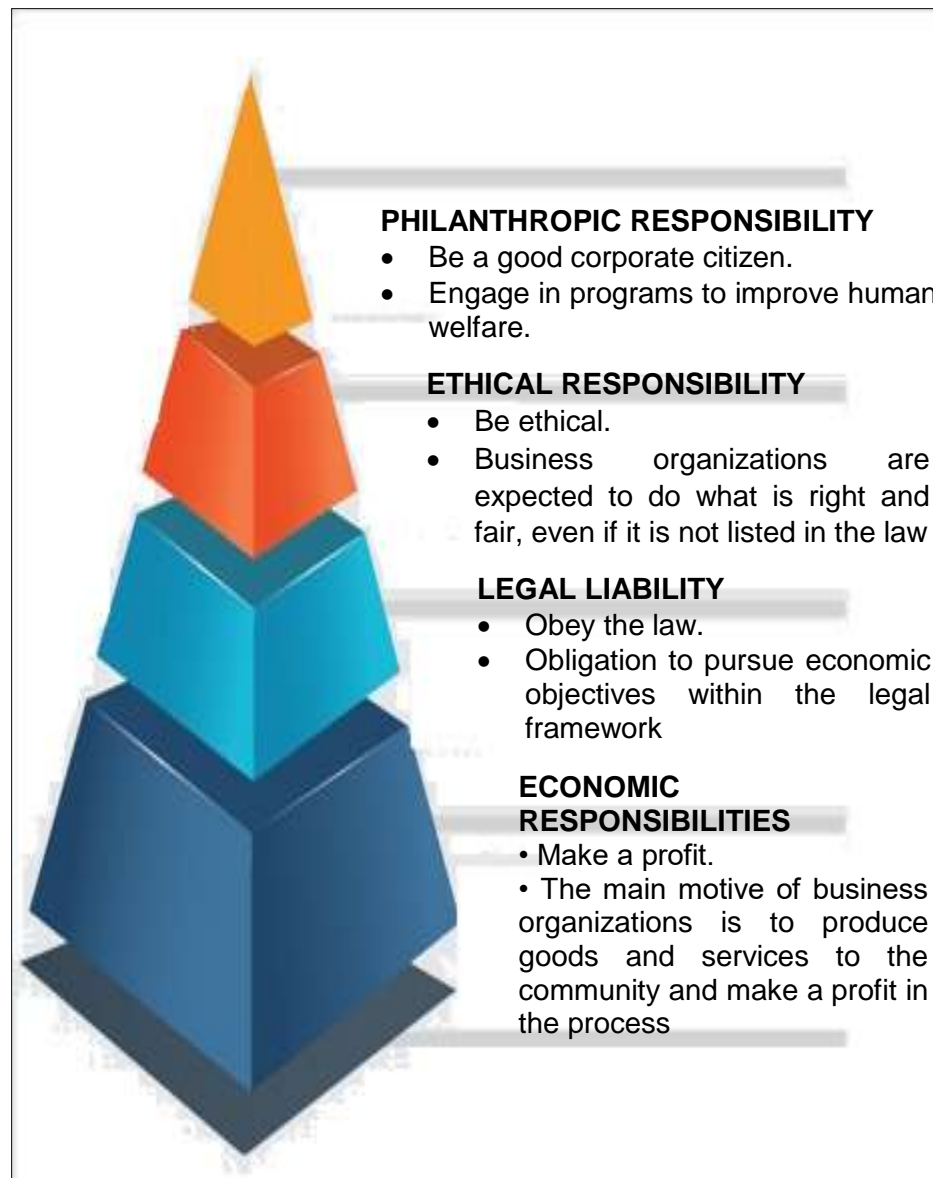
Figure 1. Pyramid of Corporate Social Responsibility

Source: Carroll (2016)

Carroll (2016) has presented a CSR pyramid, which illustrates four types of responsibilities as shown in Figure 1. However, contrary to popular belief, these layers of responsibility are not designed sequentially, nor are they mutually exclusive. It might be, for example, that a company meets legal requirements, but fails to fulfill its economic mission (Griseri & Seppala, 2010). The purpose of the pyramid is to illustrate that the total CSR includes different components. When these components are combined together, they form the whole concept of CSR (Carroll, 2016).

Brand Image

Peter Drucker, widely known as the "father" of modern management, states there are two basic functions of business: marketing and innovation (Drucker & Maciariello, 2008). He points out that marketing goals are brands, which make sales excessive and the brand itself desirable. In other words, it is the power of the brand that makes it possible to sell certain products without any effort needed to persuade customers with marketing strategies. In marketing, it's all about branding. As a result, much attention has been paid to the concept of brand equity. Aaker & Biel (2013) asserts that brand image is the main driver of brand equity.

Customer Loyalty

Kotler (2013) says "the long term success of a particular brand is not based on the number of consumers who purchase it only once, but on the number who becomes repeat purchase". In this case it can be concluded that a loyal consumer is not measured by how much he buys, but from how often the consumer makes repeated purchases, including here recommending others to buy (Robert, 2012). According to Robert, (2012) the ultimate goal of a company's successful relationship with its customers is to form strong loyalties. Indicators of strong loyalty are:

a. Say positive things, is to say positive things about the products that have been consumed.

b. Recommend friends, is recommending products that have been consumed by friends.

c. Continue purchasing, is a purchase that is made continuously for the product that has been consumed.

Consumer loyalty can be created when these customers become advocates for a company or organization without coercion from the company.

METHODOLOGY

Research Objects And Subjects

The object of research is the consumer company of PT. Tirta Investama (DANONE-AQUA) which is a private company that promotes social concepts in its implementation. Research subjects on corporate consumers PT. Tirta Investama (DANONE-AQUA) to measure how effective Corporate Social Responsibility affects the Brand Image and Customer Loyalty of PT. Tirta Investama (DANONE-AQUA) in the eyes of its consumers.

Population And Sample

The population in this study are consumers of PT. Tirta Investama (DANONE-AQUA). Consumers are examined to see the side of a company's business communication both from the Corporate Social Responsibility of the company. In this study the samples taken were

consumers of PT. Tirta Investama (DANONE-AQUA) which has bought and used PT. Tirta Investama (DANONE-AQUA). The sampling technique used is probability sampling. With the method of random sampling (simple random sampling) to facilitate the generalization of findings. The research sample point 1 strongly disagrees, point 2 disagrees, point 3 is neutral, point 4 agrees and point 5 strongly agrees.

Research Models And Variables

The concept of descriptive and verification research is conducted to test the truth of a hypothesis that is carried out through data collection in the field. This study intends to examine the effect of corporate social responsibility on brand image. As well as corporate social responsibility on customer loyalty. The variables raised in this study are corporate social responsibility, brand image and Customer Loyalty.

Data Analysis Tool

The method used for this research is a quantitative method which is an approach that involves estimating parameters, testing hypotheses, forming confidence intervals, and the relationship between two or more properties (variables) for parameters that have a known distribution (normal distribution).

Independent t-test is a procedure to test hypotheses where population variance is unknown to compare t scores of two samples to make a comparison of distributions, in other words, independent t tests are carried out by comparing the difference between two and only two sample mean values with a standard The error is that the number of samples used to estimate the population is relatively small.

RESULTS AND DISCUSSION

Before discussing the results of the study, it will first be discussed regarding the characteristics of the respondents. Respondent characteristics are divided by gender, age, education, type of work and monthly expenditure level. Respondent profiles can define useful targets so that PT. Tirta Investama (DANONE-AQUA) can focus its sales in accordance with the target. In this study questionnaires were distributed to 100 respondents who used PT. Tirta Investama (DANONE-AQUA) and knows the campaign advertisement "Aqua 1 Liter Program for 10 Liters of Clean Water", and is not working at PT. Tirta Investama (DANONE-AQUA). Following the division of respondents based on the characteristics that have been determined. Researchers spread by going directly to consumers who use PT. Tirta Investama (DANONE-AQUA) and spread the questionnaire on Google Drive via WhatsApp.

Profile of Respondents Based On Gender

Based on the results of the questionnaire collection, it can be seen that the number of male respondents is 47, the number of male respondents is 53. From these results, it can be concluded that most respondents who responded to the questionnaire were female to 53 respondents.
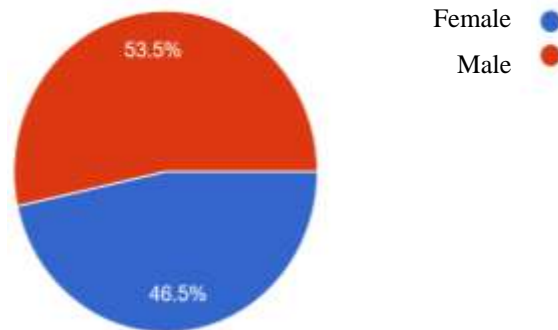

Figure 2. Consumer Profile by Gender

Profile Of Respondents Based On Age

It can be seen that from 100 respondents there were 5 who were under the age of 20 years, 19 aged 20-25 years, 35 aged 26-30 years, 22 aged 31-35 years, 17 aged over 35 years, 1 40 years old and 1 other (54 years old). From these results, it can be concluded that most respondents who responded to the questionnaire were aged 26 to 30 years.
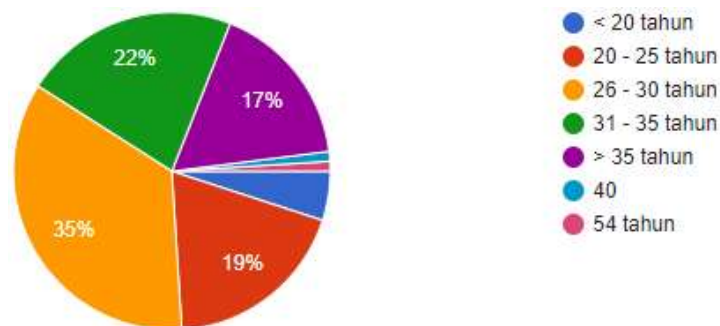

Figure 3. Consumer Profiles by Age

Respondent Profile Based On Education

Based on the results of questionnaire collection that has been done, it can be seen that the number of respondents whose education is high school is 40, there are 14 diplomas, 39 scholars, post graduates there are 4, there are 2 doctors and others as many as 1. From these results, it can be concluded that most respondents who responded undergraduate educated questionnaire.
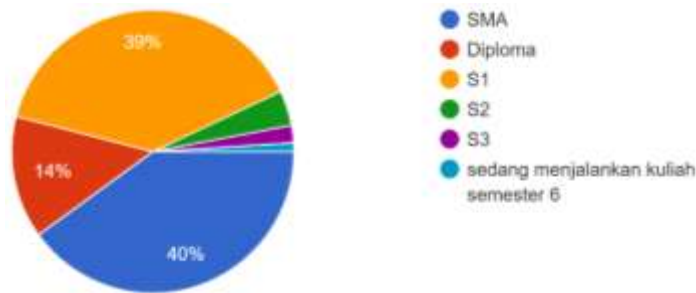
Figure 4. Consumer Profile based on Education

Profile Of Respondents Based On Job Type

Based on the results of the questionnaire collection that has been done, it can be seen that the number of respondents whose work there are 13 students or students, there are 6 civil servants, 10 entrepreneurs, 10 TNI / PORLI, 0 private employees and 60 others 11.
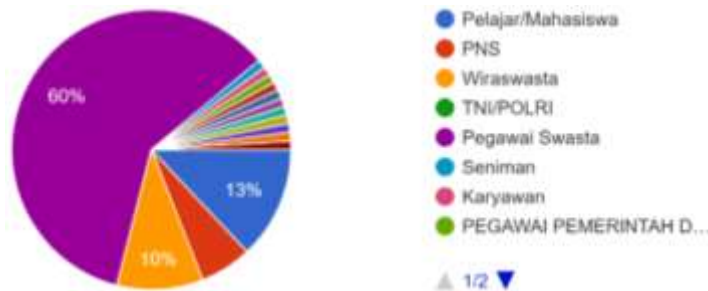

Figure 4. Consumer Profile based on Education

Profile Of Respondents Based On Monthly Expenditures

Based on the results of the questionnaire collection, it can be seen that the number of respondents whose jobs <5,000,000 there are 48, 5,000,000 - 10,000,000 there are 29, 10,000,000 - 15,000,000 there are 13,> 15,000,000 there are 7, others as many as 3. From these results, it can be concluded that most respondents who responded to the questionnaire had a private employee job.
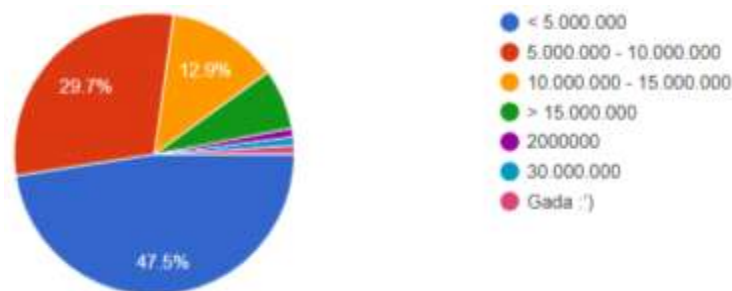

Figure 5. Consumer Profile based on Monthly Expenditures

Outer Model

Validity testing for reflective indicators can be done by using the correlation between the indicator score and the construct score. Measurement with reflective indicators shows that there is a change in an indicator in a construct if other indicators in the same construct change. In table 1, the results of calculations using the smart computer program PLS 3.0 are presented.

Table 1. Output Outer Loading

	Brand Image	Corporate Social Reasonability	Customer Loyalty
BI1	0.950		
BI2	0.945		
BI3	0.910		
BI4	0.846		
BI5	0.961		
BI6	0.935		
CL1			0.906
CL2			0.924
CL3			0.895
CL4			0.938
CL5			0.906
CL6			0.892
CSR1		0.760	
CSR2		0.870	
CSR3		0.908	
CSR4		0.920	
CSR5		0.943	
CSR6		0.856	

According to Malhotra (2019) Factor loading is the magnitude of the correlation of an indicator with the factors formed. The validity criterion for an indicator is declared to be valid to form a factor if it has a factor loading greater than 0.5 (≥0.5) or it would be better if the factor loading is greater than 0.7. So that the indicators used in this study have met the convergent validity.

Reliability & Validity - PLS Algorithm

Measurement of reliability and validity using Cronbach's coefficient alpha with the help of Partial least Square (PLS) software. Cronbach's alpha coefficient is between 0 and 1 and the

commonly used alpha cronbach's value limit is greater than 0.7 (≥0.7). Cronbach's alpha value of less than 0.6 (<0.6) indicates that the reliability of the instruments used is not sufficient (Hair et al, 2018). Table 2 shows that all latent variables measured in this study have Cronbach's Alpha values> 0.6 and Composite Reliability greater than 0.7 so that it can be said that all latent variables are reliable.

Table 2. Output Outer Loading

Reliability & Validity	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Brand image	0.966	0.970	0.973	0.856
Corporate social reasonability	0.940	0.944	0.953	0.771
Customer loyalty	0.959	0.961	0.967	0.829

Discriminant Validity (Cross Loading) - PLS Algoritma

The reflective indicator needs to be tested discriminant validity by comparing the values in the cross loading table. An indicator is declared valid if it has the highest loading factor value to the intended construct compared to the value of the loading factor to other constructs.

Table 3. Output Outer Loading

	Brand Image	Corporate Social Responbility	Customer Loyalty
BI1	0.950	0.879	0.780
BI2	0.945	0.895	0.771
BI3	0.910	0.805	0.726
BI4	0.846	0.730	0.869
BI5	0.961	0.896	0.848
BI6	0.935	0.873	0.802
CL1	0.838	0.799	0.906
CL2	0.786	0.730	0.924
CL3	0.688	0.657	0.895
CL4	0.800	0.761	0.938
CL5	0.807	0.768	0.906
CL6	0.769	0.694	0.892
CSR1	0.688	0.760	0.636

	Brand Image	Corporate Social Responbility	Customer Loyalty
CSR2	0.751	0.870	0.677
CSR3	0.841	0.908	0.725
CSR4	0.823	0.920	0.710
CSR5	0.879	0.943	0.791
CSR6	0.835	0.856	0.720

Inner Model

Inner model or structural model describes the model of the relationship between latent variables that are formed based on the substance of the theory.

Path Coefficients - PLS Algorithm

The table 4 shows the results of the path coefficients that are processed in the PLS Algorithm, the value of Corporate Social Responsibility (CSR) has a significant effect on Brand Image of 0.917 and Corporate Social Responsibility has an effect on Customer loyalty of 0.810.

Table 4. Output Path Coefficients - PLS Algoritma

Path Coefficients	Brand Image	Corporate Social Reasonability	Customer Loyalty
Brand image			
Corporate Social Reasonability	0.917		0.810
Customer Loyalty			

Path Coefficients - PLS Bootstrapping

Total Indirect Effect can be seen from Table 5 output path coefficients that Corporate Social Responsibility is very influential on Brand Image. Because the P (Value) produced at 0,000 is equal to Significant <0.05, the result H1 is accepted. And that Corporate Social Responsibility is also very influential on Customer loyalty. Because the P (Value) produced is also 0,000 equal to Significant <0.05, the result H1 is accepted.

Table 5. Output Path Coefficients - PLS Bootstrapping

Mean, stdev, t-values, p-values	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (IO/STDEVI)	P values
Corporate Social Reasonability pada brand Image	0.917	0.920	0.016	58.377	**0.000**
Corporate Social Reasonability pada Customer Loyalty	0.810	0.813	0.040	20.464	**0.000**

Testing R²

The output for the R2 value using the smartPLS 3.0 computer program is shown in Table 6.

Table 6. Output R²

R square	R square	R square adjusted
Brand image	0.842	0.840
Customer loyalty	0.657	0.653

Table 6 shows that R² Brand Image is 0.842, while R² Customer loyalty is 0.657. The data shows that the R² value on Brand Image is categorized strong and the value of R² Customer loyalty is categorized as substantial / good.

According to Chin (1998) the value of R-squared (R2) is used to measure how much influence the particular independent latent variable has on the dependent latent variable. R2 value of 0.67 is categorized as substantial / good, R2 value of 0.33 is categorized as moderate, R2 value of 0.19 is categorized as weak, and R2 value of> 0.7 is categorized as strong influence (coefficient of determination).

Estimated Coefficient Path

Path coefficient estimation is done to test the correlation matrix fit, output path coefficients that Corporate Social Responsibility is very influential on Brand Image, and Corporate Social Responsibility is very influential on Customer Loyalty. be accepted. And that Corporate Social Responsibility is also very influential on Customer loyalty. Because the P (Value) produced is

also 0,000 which is the same as Significant <0.05, the result H1 is accepted, which is presented in Table 7 and in Figure 6.

Table 7. Output Total Effects - PLS Bootstrapping

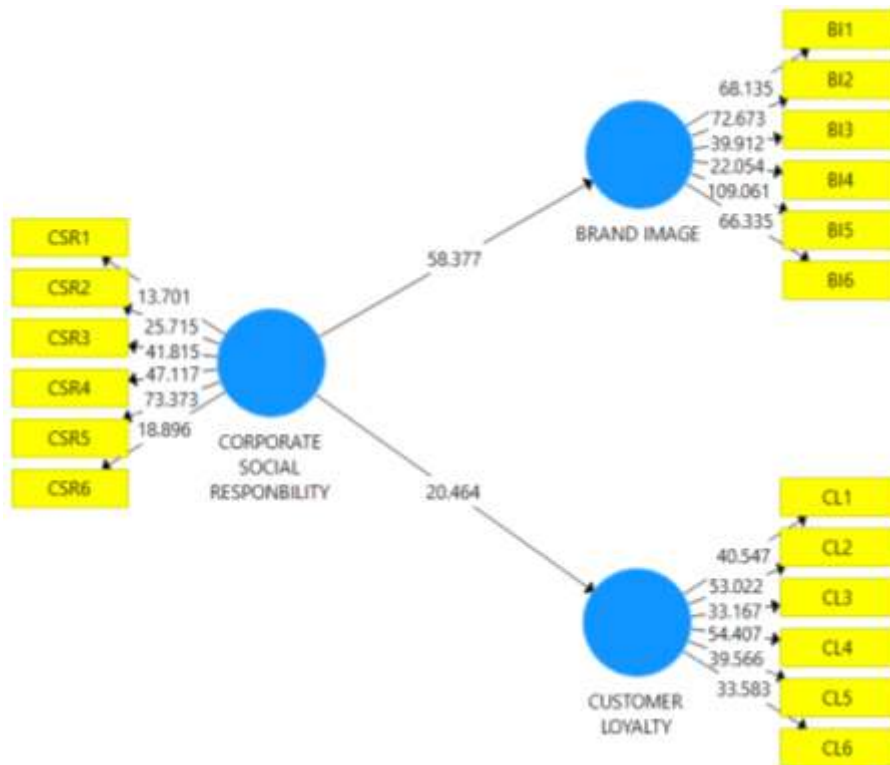| Variable Eksogen -> Variable Endogen	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (IO/STDEVI)	P Values
Corporate social reasonability -> brand image	0.917	0.920	0.016	58.377	**0.000**
Corporate social reasonability -> customer loyalty	0.810	0.813	0.040	20.464	**0.000**

Figure 6. Bootstrapping Results

Hypothesis 1 is a statement that there is a positive relationship between Corporate Social Responsibility and Brand Image. Based on the results of the calculation of the structural model for hypothesis 1, a statistical T value of 58.377 was obtained. Because the statistical T value is

greater than 1.96, this research data supports that Corporate Social Responsibility has a positive influence on Brand Image.

Hypothesis 2 is the variable Corporate Social Responsibility influences Customer Loyalty. Based on the calculation of the structural model for hypothesis 2, the statistical T value is 20.464. Because the statistical T value is smaller than 1.96, the data of this study support that Corporate Social Responsibility has a positive influence on Customer Loyalty.

Testing F²

The output for the F² value using the smartPLS 3.0 computer program is shown in Table 8. In table 8 shows that the F² of Corporate social responsiveness in Brand Image is 0.531, while the F² of Corporate social responsibility on Customer loyalty is 0.191. The data shows that the results of the R² value on Brand Image are categorized strong and the value of R² Customer loyalty is categorized as moderate.

Table 8. Output F²

F Square	Brand Image	Corporate Social Reasonability	Customer Loyalty
Brand image			
Corporate social reasonability	0.531		0.191
Customer loyalty			

F-squared (F2) values were used to assess the predictor effect of latent variables. According to Cohen (1988) F2 values of 0.02 - 0.15 were categorized as weak, F2 values of 0.15 - 0.35 were categorized as weak, and F2 values> 0.35 were categorized as weak.

DISCUSSION

The Effect of Corporate Social Responsibility in Brand Image

From the contents of the questionnaire given to 100 respondents with indicators including PT. Tirta Investama (DANONE-AQUA) is concerned with the provision of clean water for the community, PT. Tirta Investama (DANONE-AQUA) has a good impact on the environment and the welfare of society, PT. Tirta Investama (DANONE-AQUA) has an impact / benefit felt by the community, PT. Tirta Investama (DANONE-AQUA) improves community welfare, PT. Tirta Investama (DANONE-AQUA) pays attention to the environment and PT. Tirta Investama (DANONE-AQUA) seriously participated in the development of the Corporate Social Responsibility variable. In Brand Image indicators include PT. Tirta Investama (DANONE-

AQUA) is committed to social problems and community welfare, PT. Tirta Investama (DANONE-AQUA), a company that has high professionalism related to social problems and community welfare, PT. Tirta Investama (DANONE-AQUA) successfully reminded consumers of its products, PT. Tirta Investama (DANONE-AQUA) is one of the companies that can be trusted by the community, PT. Tirta Investama (DANONE-AQUA) is very concerned with improving the welfare of the community, PT. Tirta Investama (DANONE-AQUA) illustrates the seriousness in improving social welfare. This study shows that there is a significant positive effect of the Corporate Social Responsibility variable on Brand Image.

This is in line with research conducted by Blomback and Scandelius (2013) that the Corporate Social Responsibility variable has an effect or has a significant influence on Brand Image. The implementation of Corporate Social Responsibility, which is an obligation for every company, shows that these activities play a role in taking responsibility for social issues such as providing education and community welfare. The company's activities can lead to positive assessments from consumers so as to improve the company's image in the eyes of the public. Furthermore, consumers will be more pleased and will be easier to trust the brand promises delivered by products that are considered to care about social issues such as health, welfare, the environment.

The Effect of Corporate Social Responsibility in Loyalty Consumers

From the contents of the questionnaire given to 100 respondents with indicators including PT. Tirta Investama (DANONE-AQUA) is concerned with the provision of clean water for the community, PT. Tirta Investama (DANONE-AQUA) has a good impact on the environment and the welfare of society, PT. Tirta Investama (DANONE-AQUA) has an impact / benefit felt by the community, PT. Tirta Investama (DANONE-AQUA) improves community welfare, PT. Tirta Investama (DANONE-AQUA) pays attention to the environment and PT. Tirta Investama (DANONE-AQUA) seriously participated in the development of the Corporate Social Responsibility variable. In Customer Loyalty indicators include paying attention to the provision of drinking water and clean water, in the future you will return to using PT. Tirta Investama (DANONE-AQUA), you more often use the products of PT. Tirta Investama (DANONE-AQUA) compared to other company products, you more often use the products of PT. Tirta Investama (DANONE-AQUA) compared to other companies' products, you would recommend PT. Tirta Investama (DANONE-AQUA) to others if asked to give advice, you will say something positive about PT. Tirta Investama (DANONE-AQUA), you will always use PT. Tirta Investama (DANONE-AQUA).

Corporate Social Responsibility recommends and says positive things about the Customer Loyalty variable. These results indicate there is a significant positive effect of the variable Corporate Social Responsibility on Customer Loyalty. This is in line with the results of research conducted by Perez and Bosque (2015) which shows that the variable of Corporate Social Responsibility significantly influences Customer Loyalty. PT. Tirta Investama (DANONE-AQUA) which indeed prioritizes Corporate Social Responsibility as one of the company's responsibilities to the community that encourages customer loyalty (the Customer Loyalty) and the community directly, as well as social care carried out by PT. Tirta Investama (DANONE-AQUA) plays a very important role in consumer loyalty in the long run.

CONCLUSIONS AND SUGGESTIONS

Results and analysis in research conducted only at PT. Tirta Investama (DANONE-AQUA), this states: 1. Corporate Social Responsibility has a positive influence on Brand Image. 2. Corporate Social Responsibility has a positive influence on Customer Loyalty.

From the findings of existing research shows that Corporate Social Responsibility conducted by PT. Tirta Investama (DANONE-AQUA) has a good impact on the Company's Brand Image and Customer Loyalty, a good Brand Image will have an impact on Customer Loyalty. Researcher's suggestion of PT. Tirta Investama (DANONE-AQUA) if you want to maintain Customer Loyalty for the sake of the company's sustainability, it should continue and intensify Corporate Social Responsibility activities both with programs that have been carried out by companies such as caring for clean water (social) problems, good impacts on the environment and community welfare, improve community welfare, provide education both education and training, participate in development or with other social activity innovations so that the company's image is well preserved and in the long run will have an impact on customer loyalty.

This research still has limited research that is only done at PT. Tirta Investama (DANONE-AQUA), to be able to ensure and strengthen the theories contained in this study, further research is needed with similar research models in different companies. Further suggestion is to research and develop with similar research models in other companies.

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