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THE RELATIONSHIP OF BRAND COMMUNICATION, BRAND IMAGE, AND BRAND TRUST TO BRAND LOYALTY OF SAMSUNG CELLULAR PHONE PRODUCT

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ABSTRACT

Each people have a trust to the product that they use for daily activity, such as a cellular phone which almost all people are using this product for communicating tool to each other. But not just only for communication purpose, each cellular phone is used by the user for entertaining purpose. Talking about cellular phone, Samsung is one of the most cellular phones that famous in Indonesia, we can see this product everywhere, and many people are using Samsung product, starting from the cheapest one to the most expensive prices, and its users from school age to workers level. As a product, Samsung is one of the famous brands which successful to attract its users and any potential user to use the product. The level of people trust to this product is higher than other products. The trust itself is not coming too easy, Samsung has to convince the customers or potential customers of what benefit that they will get by using Samsung product, and also the fixed product reputation will be able to attract customers' attention. This research aims to find out the relationship of brand communication, brand image, and brand trust that influences brand loyalty. This research itself is using a statistical the modeling structural equations. The sampling method that applied by the researcher is a random sampling to 130 users (students, workers) of Samsung cellular phone (any types, and prices) in Jakarta, Surabaya, and Tangerang City. The results showed that brand communication influences brand image, brand communication influences brand trust, brand image has an effect on brand trust, and brand trust has an influence on brand loyalty of the Samsung customers.

KEY WORDS

Brand communication, brand image, brand trust, brand loyalty.

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 favorite 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 gained via brand communications and quality of service.

LITERATURE REVIEW

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 creating 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 and brand loyalty is very important towards the long-term success of the brand. That is why marketers spend a great dealof effort to create and maintain positive attitude towards their brand (Zehir et al, 2011). In other words, brand communication 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.

Brand image is defined as the mental picture in custimers' 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 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 produt 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 these 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 makes customers recognize the quality of the product or services (Sääksjärvi and Samiee, 2012). Ideal use of brand image not only helps 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).

Brand trust as defined by Morgan & Hunt (1994), is a hope that an exchange between trust and image would take place and 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 focuses 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 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 behavioral 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 defines brand loyalty as consist of two dimensions: behaviors 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.

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 and brand trust are supporting variables or mediator. Brand loyalty is the only output variable.

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 wants 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 Samsung Customers.

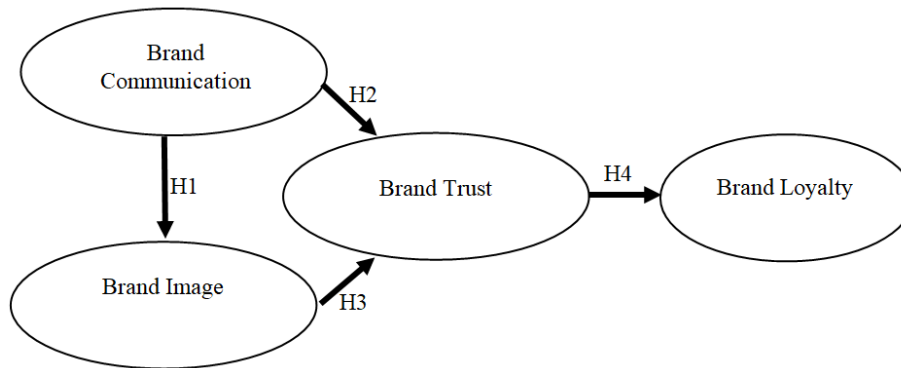


Figure 1 – Conceptual Model

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 Samsung Customers.

H₂: Brand communication has a positive effect on brand trust in Samsung Customers.

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 Samsung customers.

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 (Morgan and Hunt, 1994; Doney and Cannon, 1997).

H₄: Brand trust has a positive effect on brand loyalty in Samsung customers.

RESULTS AND DISCUSSION

The sampling method that applied by the researcher is a random sampling to 130 users (students, workers) of Samsung cellular phone (any types, and prices) in Jakarta and others city in Indonesia, such as Surabaya, and Tangerang City. Where this questionnaire was distributed to 130 respondents by using questioner form – paper work.

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.

Respondents are asked to provide their demographic information including gender, age, and based on education. Most of the respondents were women (61.1%) and men (38.9%). Age Based Respondents 15 Years - 25 Years (30%) 26 years -35 years (40%) 36 years - 45 years (20%) and above 45 years (10%) of respondents based on work mostly are Private Employees (64.2%), Self Employed (22.2%), Civil Servants (7.4%), and Students (6.2%).

Most of the respondents were using Samsung as a private communication tool, they bought the product by their own money, thus they are able to measure how cheap and expensive the cost of Samsung product. Some of them always change the old one to the new product for several times, at least they will buy the new product in one e year, for the worker respondent shown us that they bought the expensive one, and for the student bought the cheapest. For women respondent shown us that they bought for style purpose, thus they need the stylish one.

In this study "Structural Equation Modeling (SEM)" the researcher was using LISREL as statistical tool which 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. In general, people using SEM focus more on latent constructs - what is meant is abstract psychological variables, such as "intelligence" or "attitude towards the brand" - compared to manifest variables (indicators) used to measure constructs -the construct.

Measurements are considered difficult and prone to errors. With the modeling error that can occur explicitly, SEM users try to reduce unbiased estimates for the relationship between latent constructs. In the end, SEM allows multiple measurements to be associated with a single latent construct. One of the advantages of SEM is the ability to create construct models as latent variables or variables that are not measured directly, but are estimated in the model of measured variables which are assumed to have a relationship with these variables - latent variables. Thus, this allows the model maker to explicitly know the reliability of a measurement in the model in which the theory allows relations - structural relations between latent variables that are precisely made by a model.

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.

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

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).

Good reliability requirements according to Hair, et al. (2010) are having the reliability construct > 0.60 and variance extracted > 0.50 . From the calculation, 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).

CONCLUSION

Based on the research result which has conducted at Jakarta and other 2 cities, Tangerang and Surabaya city, with number of 130 Respondents, the conclusion is The Relationship of Brand Communication, Brand Image, and Brand Trust to Brand Loyalty of Samsung Cellular Phone Product, are having relationship among each other.

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