Garuda Indonesia Airlines: Providing Emotional Experience to Retain Customer Loyalty

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ABSTRACT

In the past, economics activities focused on selling products to get optimal benefits. Nowadays economics activities emphasize on customer orientation by building good relationship with customers. So choosing the right strategy in establishing this relationship is very important. Garuda Indonesian Airlines (GIA) has tried hard to maintain its customers’ retention by improving its strategy. This paper is undertaken to find the development strategy of emotional branding on customer loyalty of Garuda Indonesia Airlines based on four basic concepts of emotional branding: relation, sensorial experience, imagination, and vision. A quantitative method and purposive sampling technique are used in this research. To analyze the data, the writers use a multiple linear regression analysis. The results show that sensorial experience, imagination, and vision have significant influences on consumer loyalty, whereas relation does not have a significant influence on consumer loyalty.

Keywords: Emotional branding, relation, sensorial experience, imagination, vision, consumer loyalty.

1. INTRODUCTION

Economics paradigm has changed from time to time. In the past, the main focus of economics activities is production and selling in order to maximize profit; while present economics paradigm tends to emphasize on customer needs and wants by establishing good relationship with customers. Companies try to build activities involving customers in consuming products or services they offer. Thus, selling is not the main focus anymore. Nowadays, companies can only survive by fulfilling customers’ needs and wants.

Due to the change of economy paradigm, branding becomes very important in order to compete and survive in the market as it can become one of the competitive advantage the companies can offer to
their customers. Effective marketing should not stop when a brand is already in the customers’ minds, but the brand should be able to influence customers emotionally so that they can have positive actions by consuming the product or service offered (Gobe, 2005).

There are four aspects of emotional branding: relation, sensorial experience, imagination and vision. Relation refers to how companies can maintain close and intimate relationship with its customers. Sensorial experience indicates how well companies can provide and create emotional experience to strengthen the relationship with its customers. Imagination is used to make emotional branding become real. Whereas, vision refers to how well companies can make improvements to be sustainable in the market (Gobe, 2005).

Customers will feel satisfied when the product or service they buy can fulfil their needs and wants. So customer satisfaction is very crucial in facing a competitive business nowadays since they tend to purchase more products or services in the future. Studies show that the more positive and stronger feelings the customers get from the brand, the more products or services the customers will purchase. Thus, it strengthens customers’ repurchase behavior (Kotler and Keller, 2011). Customers who are emotionally attached to the company wouldn’t mind to sacrifice their money and time to consume and repurchase the products or services consistently from the offered brand (Grisaffe and Nguyen, 2011). It is also known as customers’ emotional attachment to the brand (Thomson et. al., 2005) or emotional branding (O’Shaughnessy, 2003).

Garuda Indonesia Airlines (GIA) is one of the biggest airlines in Indonesia with full service. It tries hard to fulfill its customers’ expectations so that they are satisfied and become loyal. GIA has implemented emotional branding strategies in order to increase its quality service to create brand identity. One of which was Sky Priority Program in 2014. It is red carpet services to business and first class customers in which customers can get priorities in check-in, drop off baggage and boarding processes. Priority was designed to provide customers’ ease and comfort (Garuda Indonesia, 2014).

In addition to this, GIA has also launched Garuda Indonesia Experience since 2009 providing its best services starting from customers’ reservation process up to customers’ arrival at the destination airport. Thus, it is in line with GIA vision to become the most reliable airline offering good quality and Indonesian hospitable services to people all over the world. This hospitable concept involves ‘five senses’ (sight, sound, scent, taste, and touch or “customer touch points” starting from pre-journey, pre-flight, in-flight, post-flight, and post-journey services (Garuda Indonesia, 2014).

Sight can be seen from the use of bright colorful traditional styles with unique but modern designs and textures of cabin interior as well as GIA cabin crews. The interior design of GIA cabin uses a combination of bright natural colors with traditional Indonesian styles that make it good to see. Whereas, the stewardess’ uniform is a modern “kebaya” inspired from “Batik” with “Perang Gondosuli” which is a combination of three colors: tosca to represents tropical freshness, orange to represent warmth, friendliness and full of energy, and blue to represent reliability, trustworthy, lasting and soothing. This combination can give a gracefull and elegant impression.

Sound is presented through traditional music offered. Customers can enjoy the sophistication of high technology device such as the Audio and Video on Demand (AVOD), which offers various entertainments like movies, broadcast TV, video games, and music, including traditional and contemporary Indonesian music.
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GIA presents scent or aroma using a combination of aromatic essence oils of traditional Indonesian plants and herbs such as cloves and nutmeg. Such combination creates aroma that is refreshing and fun for customers.

Taste is presented to customers by providing a typical Indonesian cuisine served with cabin crews’ hospitality. There is a lot of Indonesian food and drink offered, like fried rice, yellow rice, Martebe juice, passion fruit and Dutch eggplant juice.

The last sense, touch, is offered by GIA by maximizing typical Indonesian hospitality from its cabin crews. During the flight customers are taken care of with a sincere and friendly service represented by “Salam Garuda Indonesia” by GIA cabin crews.

The emotional branding of ‘five senses’ has enabled GIA to provide excellent service that makes its customers satisfied and loyal. Due to its superior service, GIA has received a lot of awards, either nationally or internationally. According to a survey by Centre of Asia Pasific Aviation (CAPA) in 2010, GIA was ranked as the best airline with its service quality compared to other five star categories by Skytrax like Singapore Airlines, Cathay Pacific Airlines, Malaysia Airlines, Bangkok Airlines and Thai Airways. In 2013, Skytrax has chosen GIA as the Eighth of Top Ten Airlines all around the world and “World’s Best Economy Class Award”. In the same year, GIA has been awarded as “Best in Region: Asia and Australasia” in Passengers Choice Awards 2013. Another award given to GIA is as “Indonesia Most Admired Companies 2014” held by TEMPO in cooperation with Frontier Consulting Group and Marketing magazine. In 2015, once again GIA won another “The World’s Best Cabin Crew” and the eighth of “Top Ten Airlines” from Skytrax (Garuda Annual Report, 2015)

Based on the phenomenom, the research problems of this study is as follows:

1. Does relation have positive and significant influence on customer loyalty of Garuda Indonesian Airlines (GIA)?
2. Does sensorial experience have positive and significant influence on customer loyalty of Garuda Indonesian Airlines (GIA)?
3. Does imagination have positive and significant influence on customer loyalty of Garuda Indonesian Airlines (GIA)?
4. Does vision have positive and significant influence on customer loyalty of Garuda Indonesian Airlines (GIA)?

The objectives of this study are to find out whether the four aspects in emotional branding have positive and significant influences on customer loyalty of GIA.

2. THEORITICAL ANALYSIS

Recently, building brands using emotion concepts has been very influential and become the successful key of the brands (Zaltman, 2003; Gobe, 2005). Companies wanting their brands to be in the highest position in the customers’ minds have to involve emotional elements in the brands. Emotion becomes the main component of power branding. Therefore, emotional branding is one of the important aspects in power branding to create develop and maintain the brand (Temporal, 2006).
Emotional branding is a concept to create brand image in order to maintain close emotional relationship between a brand with its customers through creative and innovative approaches. These can be done by focusing on implementing some human aspects like fulfilling emotional needs, creating the brand that can arouse customers’ feeling and emotions, making the brand always in the customers’ minds and by establishing close relationship with customers for a long time (Gobe, 2005).

Emotional factors such as consumer perceived brand personality, brand preference, and brand experience is strongly influenced by satisfaction when using a brand. This will cause brand trust that makes customers repurchase the same product or service in the future (Mutyalestari, 2009).

In addition, emotional branding can serve as a tool or method to relate one product or service to customers emotionally. It is also a tool to create ‘private dialog’ with customers. Marketers also noticed that deep relation of emotional branding with customers can be used by companies to have product or service differentiation and creating sustainable competitive advantages. Thus emotional branding connects brands with customers in the long term (Gobe, 2005).

**The Ten Commandments of Emotional Branding**

There are ten commandments of emotional branding to conceptualize perspective changes from traditional functions to modern marketing approaches (Gobe, 2005):

1. **From customers to partners:** In the past customers become the target of the company to buy and consume the offered product or services. Nowadays the company needs to understand its customers and make them as its partners so that there are two-way communications beneficially for both parties.

2. **From product to experience:** Because of tight competition, the company focus is not only on fulfilling customers’ needs with the offered products or services but also on providing experiences for its customers so that it can build strong emotional relation with the product or service’s brand.

3. **From honesty to trust:** In business, honesty is necessary but trust is more important as it can provide total comfort for customers on their choices. One strong strategy in building customers’ trust is by having ‘no question asked’ or implementing guarantee policies.

4. **From quality to preference:** Quality is not enough to be able to survive nowadays. The company tries hard to have its brand preference so that customers will not switch other brands easily. Customers will not stop consume the products or services of certain brands whenever they have brand preference.

5. **From fame to aspirations:** Famous brands become very common at present. A brand that is in the customers’ mind has to be able to give added value to the product or service in order to differentiate it with other products or services offered by competitors.

6. **From identity to personality:** To build emotional relation with customers, it is important that the company not only pays attention to brand identity but also brand personality. Brand personality is the brand character and strength that protrudes from the brand so as to create a strong and positive brand image in the customers’ minds.
7. **From function to feelings:** A product or service created based on its functionality will not last longer if its appearance and usage are designed without paying attention to human feelings. The creation of products or services should consider customers’ feelings through sensory experience to remember and become more attractive.

8. **From ubiquity toward presence:** Brand presence can be in the form of advertisements or banners which are communicative and attractive to influence customers’ emotions. It should focus on an innovative way to build real and long lasting relationship with customers.

9. **From communication to dialogue:** Direct communication from customers to the company would be much better as customers can give criticism or useful suggestions for the company so that precious partnership is established between two parties.

10. **From service to relationship:** Customers feel much more appreciated when the company not only offers good service but also builds long lasting relationship with them. Building the relationship with customers means the company tries to understand and appreciate each individual customer.

### The Aspects of Emotional Branding

The basic concept of emotional branding consists of four important aspects like relationship, sensorial experience, imagination and vision (Gobe, 2005) which can be described as follows:

1. **Relation:** It is about building deep relationship and showing self respect to customers by providing emotional experience that they want. This relation is the key in creating a brand that is long lasting and emotionally presence in customers’ life.

2. **Sensorial Experience:** This refers to brand creation activities by providing customers with sensory stimuli to arouse them emotionally as well as to strengthen the relationship between customers and the brand itself. Sensorial experience is the first impression the customers get when they are brought into contact with the product. The experience will be stored in the customers’ memory in order to create their own impression of the brand.

Some components of sensory stimulation are:

(a) **The sound that brings the atmosphere:** Sound has a faster impact than the memories and emotions. Various uses of music can be an effective approach because it is not just a tool to get the attention of customers, but also to appeal to their emotions. Music can also be used by the company as its identity, by associating a brand with a particular musical flow.

(b) **Hypnotic colors or alluring symbols:** Of the entire human activities, 80 percents sensing is done using eyesight. Color associations enable to convey a certain image and emotion. Colors chosen appropriately can identify the company logo, product, brand display, and stimulate better memory to the brand.

(c) **Tantalizing taste:** At present, a touch of food is an important aspect to growing experience for customers. It’s like when customers spend their time in a food and beverage outlets so it is necessary to provide a place for them to sit and relax, eat and drink coffee. But nowadays many companies which do not sell food and beverage also implement this strategy (for
example by giving a small fruit or candy) during the waiting queue. Thus, customers who come not only feel comfortable, but also have a pleasant experience of waiting.

(d) Touching shapes: Customers use their sense of touch to get more information. So, attractive product design is also an added value for the brand to touch.

(e) Tempting aroma: Various studies show that fragrance has more potential than other senses to evoke emotion. Well planned aroma will help the company drive sales.

3. **Imagination:** Imaginative brand design is one approach to realize emotional branding. An imaginative approach of product design, packaging, retail companies, advertising and websites allows a brand to arouse customers’ emotions

4. **Vision:** It is the main factor of brand success. A brand is growing through a life cycle. To maintain brand sustainability and competence in the market, the brand should always be in equilibrium by making continuous improvements from time to time.

**Customer Loyalty**

Loyalty is customers’ strong commitment to repurchase the favored product or service consistently and over the long term without being affected by any situation and marketing efforts of other competitors’ products. Customer loyalty generally refers to customer loyalty on a product or service offered by the company (Griffin, 2005).

In addition to this, there are four indicators of loyal consumers (Griffin, 2005), namely:

1. Making a purchase on a regular basis
2. Buying another line of products or services offered by the same company
3. Recommending the products or services to others
4. Showing immunity towards the attractiveness of competitors’ products or services

Consumer loyalty has a tremendous impact on the company and become a source of competitive advantage (Kotler and Armstrong, 2007). Companies spend far less to retain loyal customers than to acquire new customers. Loyal customers are willing not only to spend more money to buy the offered product or service but also to recommend the product or service to others. Thus, it creates positive words of mouth that are beneficial for the company in the long run (Robinette and Lenz, 2001).

**The Relation Between Emotional Branding and Customer Loyalty**

A research which examines the influence of self-congruity, functional image, and emotional attachment on loyalty was done in banking sector in Malaysia. The results show that self-congruity and functional image have significant influences on functional image. Functional image has a stronger impact on emotional attachment. Interestingly, emotional attachment is a very strong predictor of customer loyalty (Yusuf and Ariffin, 2015).

In addition, a study of five cases (Disney World, The American Girl Place, Avis Rental Car, Apple’s iMac computer, and Blyth Industries) has found that providing total customer experience is very critical in all major levels of consumption (pre-consumption, during consumption and after consumption) to retain
customer loyalty. Customer experience can be provided with the blend of physical, emotional and value aspects of the search, purchase, use and post-use stages. By providing those aspects service providers will be able to have long lasting customer loyalty (Oswald et. al., 2006).

Using a qualitative research, Francisca et. al., (2009) has shown sensorial experience and vision are the most prominent in forming emotional branding of bakery products. Customers, who have already bought the products and had good sensorial experience, tend to repurchase them when their senses are stimulated. Whereas, relation and imagination do not have too much impact in the formation of emotional branding as customers prioritize more on the quality of products (aroma, taste, and the like).

**Research Framework**

![Research Framework Diagram]

**Hypotheses**

H1: Relation has positive and significant influence on customer loyalty of Garuda Indonesian Airlines (GIA)?

H2: Sensorial experience has positive and significant influence on customer loyalty of Garuda Indonesian Airlines (GIA)

H3: Imagination has positive and significant influence on customer loyalty of Garuda Indonesian Airlines (GIA)?

H4: Vision has positive and significant influence on customer loyalty of Garuda Indonesian Airlines (GIA)?
3. RESEARCH METHOD

This study is a causal quantitative involving loyal customers of Garuda Indonesian Airlines (GIA) as a population in this research. Judgemental sampling (Sugiyono, 2008), a sampling technique with certain criteria is used. The criteria are as follows:

1. Customers are from Jakarta, Surabaya, and Bali
2. Customers must be at least 17 years old
3. Customers are the ones who have ever been flew with GIA at least twice in the last year, either they have taken business or economic tickets.

Data Collection and Definitions of Operational Variables

Data were collected online and taken from 150 customers in three parts of Indonesia (Jakarta, Surabaya and Bali). Quota sampling is used in this research so 50 respondents were taken from each part of Indonesia. The writers also use five Likert scales: (1) strongly disagree, (2) disagree, (3) neutral, (4) agree and (5) strongly agree.

The respondents in this research are 78 female respondents (52%) and the rest 72 are male respondents (48%). Respondents’ age is ranged from 17-28 years old (64 respondents/43 %), 29-40 years old (37 respondents/25%), 41-50 years old (35 respondents/23%) and over 50 years (14 respondents/9%). Within one year, most respondents fly with GIA as many as 1-2 times (69 respondents/46%), 3-4 times (50 respondents/33%), 5-6 times (19 respondents/13%) and over than 6 times (12 respondents/8%). Among the whole respondents only 69 respondents (46%) have Garuda Frequent Flyer (GFF) memberships whereas the rest of 81 respondents (54%) do not have this membership cards.

There are four independent variables and one dependent variable in this research. Four independent variables are the four aspects of emotional branding, which are relation, sensorial experience, imagination and vision; whereas customer loyalty serves as a dependent variable. Each variable has the following indicators:

1. Relation refers to the ability of GIA in maintaining good relation with its customers by providing the followings:
   - responsive call service
   - personal service
   - baggage claim service for those who need it
   - readiness to help
   - service recovery when there is service failure

2. Sensorial experience refers to pleasant experience that GIA customers can get with the following facilities:
   - music during the flight
   - comfortable interior design
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- unique uniform of cabin crews
- food quality
- beverage quality
- scented aromatherapy

3. Imagination refers to GIA imaginative approach to enable customers to get the followings:
   - positive impression from GIA advertising
   - comfortable feelings with seating arrangements
   - positive impression of GIA audio visual entertainments

4. Vison refers to GIA competence of making continuous improvements to maintain customer loyalty by providing the followings:
   - typical Indonesian service fulfillment
   - continuous product innovation
   - service innovation

5. Customer loyalty refers to customers’ commitment in buying GIA product or service with the following indicators:
   - repurchase GIA products or services
   - buy another line of GIA products (like: Sales on Board)
   - recommend GIA to others
   - do not switch to another brand
   - spend more money to buy GIA products or services offered

Data Analyses

Validity test is used to find whether all items in the questionnaires are valid (Azwar, 2005, p. 118). Based on the results taken from 30 questionnaires in Table 7.1, it is known that all items are valid as they have Correlated Item-Total Correlation > 0.361.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Indicators</th>
<th>Correlated Item – Total Correlation</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relation (X₁)</td>
<td>Responsive call service</td>
<td>0.448</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Personal service</td>
<td>0.581</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Baggage claim service</td>
<td>0.533</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Readiness to help</td>
<td>0.416</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Service recovery</td>
<td>0.610</td>
<td>Valid</td>
</tr>
</tbody>
</table>
Variable | Indicators | Corrected Item – Total Correlation | Remarks |
--- | --- | --- | --- |
Sensorial Experience (X<sub>2</sub>) | Music during the flight | 0.652 | Valid |
 | Comfortable interior design | 0.371 | Valid |
 | Unique uniform of cabin crews | 0.441 | Valid |
 | Food quality | 0.549 | Valid |
 | Beverage quality | 0.562 | Valid |
 | Scented aromatherapy | 0.591 | Valid |
Imagination (X<sub>3</sub>) | Positive impression from GIA advertising | 0.530 | Valid |
 | Comfortable feelings with seating arrangement | 0.539 | Valid |
 | Positive impression of GIA audio visual entertainments | 0.470 | Valid |
Vision (X<sub>4</sub>) | Typical Indonesian service fulfillment | 0.372 | Valid |
 | Continuous product innovation | 0.460 | Valid |
 | Service innovation | 0.603 | Valid |
Customer Loyalty (Y) | Repurchase GIA products or services | 0.650 | Valid |
 | Buy another line of GIA products (like: Sales on Board) | 0.554 | Valid |
 | Recommend GIA to others | 0.647 | Valid |
 | Do not switch to another brand | 0.579 | Valid |
 | Spend more money to buy GIA products or services offered | 0.552 | Valid |

Reliability test is used to know the accuracy of the research’s instruments. It’s considered reliable when Cronbach Alpha is higher than 0.60. So based on Table 7.2, all items are reliable as they have Cronbach Alpha > 0.60.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Cronbach Alpha</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relation</td>
<td>0.779</td>
<td>Reliabel</td>
</tr>
<tr>
<td>Sensorial experience</td>
<td>0.625</td>
<td>Reliabel</td>
</tr>
<tr>
<td>Imagination</td>
<td>0.608</td>
<td>Reliabel</td>
</tr>
<tr>
<td>Vision</td>
<td>0.672</td>
<td>Reliabel</td>
</tr>
<tr>
<td>Customer loyalty</td>
<td>0.738</td>
<td>Reliabel</td>
</tr>
</tbody>
</table>

In addition, classic assumption tests like normality, multicollinearity and heterocedasticity tests are used. Normality test is used to see if the residual value has normal distribution or not. Based on Figure 7.2, it is known that the residual value has normal distribution because data are spread in diagonal line.

Multicollinearity test is to see whether there is a high correlation between the independent variables in a multiple linear regression model using Variance Inflation Factor (VIF). If the value of VIF is greater than 10, there will be multicollinearity between independent variables with other independent variables and vice versa. Based on Table 7.3, there is no multicollinearity between the independent variables and dependent variable as their VIF values are less than 10.
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Figure 7.2: Normality Test

Table 7.3
Multicollinearity Test

<table>
<thead>
<tr>
<th>Model</th>
<th>$T$</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>-0.53</td>
<td>.958</td>
<td></td>
</tr>
<tr>
<td>Relation</td>
<td>2.729</td>
<td>.007</td>
<td>.774 1.293</td>
</tr>
<tr>
<td>Sensorial experience</td>
<td>3.873</td>
<td>.000</td>
<td>.562 1.779</td>
</tr>
<tr>
<td>Imagination</td>
<td>1.561</td>
<td>.121</td>
<td>.685 1.460</td>
</tr>
<tr>
<td>Vision</td>
<td>1.892</td>
<td>.060</td>
<td>.701 1.427</td>
</tr>
</tbody>
</table>

Heteroscedasticity test is used to determine whether there is deviation of classical assumption or not using Glejser test. If the value of significance between independent variables with the absolute residuals is greater than 0.05, there is no heteroscedasticity. Table 7.4 has shown that the significant value of the independent variables is greater that 0.05, so there is no heteroscedasticity in the research model.

Table 7.4
Heteroscedasticity Test

<table>
<thead>
<tr>
<th>Model</th>
<th>$t$</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>0.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Relation</td>
<td>0.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Sensorial experience</td>
<td>0.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Imagination</td>
<td>0.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Vision</td>
<td>0.00</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Multilinear Regression Test

Multilinear regression test is used to analyze the relation between independent variables with dependent variable using the following equation:

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$$
Table 7.5
Multilinear Regression Test

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>-.499</td>
<td>.382</td>
<td></td>
<td>-1.305</td>
</tr>
<tr>
<td>Relation</td>
<td>.161</td>
<td>.106</td>
<td>.118</td>
<td>1.523</td>
</tr>
<tr>
<td>Sensorial experience</td>
<td>.365</td>
<td>.110</td>
<td>.299</td>
<td>3.329</td>
</tr>
<tr>
<td>Imagination</td>
<td>.263</td>
<td>.094</td>
<td>.219</td>
<td>2.793</td>
</tr>
<tr>
<td>Vision</td>
<td>.282</td>
<td>.095</td>
<td>.221</td>
<td>2.950</td>
</tr>
</tbody>
</table>

(a) Dependent Variable: Customer loyalty

Based on Table 7.5, the regression model of the research is:

\[ Y = -0.499 + 0.161 X_1 + 0.365 X_2 + 0.263 X_3 + 0.282 X_4 \]

It is also known that the influence of GIA emotional branding on customer loyalty is as much as 49% (the value of adjusted R square in Table 7.6), while the rest of 51% is influence by other variables that is not discussed in this research.

Table 7.6
Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.710(^a)</td>
<td>0.504</td>
<td>0.490</td>
<td>0.55215</td>
</tr>
</tbody>
</table>

Hypotheses Testing

F test and t test are used to test hypotheses. F test is to see whether a research model is fit or not using its significance. If the significance value is < 0.05, the research model is fit. While t test is to see whether the independent variables have influenced on dependent variable using its significance. If significance value is < 0.05), the independent variables are said to have some impact on the dependent variable (Cooper and Schindler, 2004)

Table 7.7 shows that the value of F test' significance is 0.00 which is less than 0.05, so the research model is fit.

Table 7.7
F Test

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>44.906</td>
<td>4</td>
<td>11.227</td>
<td>36.825</td>
<td>.000(^a)</td>
</tr>
<tr>
<td>Residual</td>
<td>44.205</td>
<td>145</td>
<td>.305</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>89.112</td>
<td>149</td>
<td>.305</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Based on the significance value of t test in Table 7.5, it is known that relation has positive influence (unstandardized coefficient of 0.161) but insignificant influence on customer loyalty as its significance 0.130 which is greater than 0.05. While the three dependent variables (sensorial experience, imagination
and vision) have positive (unstandardized coefficients of 0.365, 0.263, and 0.282) and significant influences (significance of 0.001, 0.006 and 0.004) on customer satisfaction.

4. DISCUSSIONS AND IMPLICATIONS

GIA emotional branding has influenced as much as 0.490 (49%) on customer loyalty and the rest 51% is influenced by other variables that are not studied in this research. As the constant value in regression test is -0.499, this means that without the existence of the four aspects in emotional branding, GIA customers are not that loyal due to negative relationship between them.

The result of the study shows that relation has positive but insignificant influence on customer loyalty of GIA so the first hypothesis is not accepted. Even though customers have good perceptions on the relation approaches by GIA, this does not significantly influenced customers to be loyal. This is due to the fact that not only GIA that makes such approaches but also other similar airlines that offer the same kinds of approaches, like providing responsive and pleasant call service as well as serving the customers personally, helping those who need baggage claim service, being ready to help the customers and providing service recovery when there is some delay and so on. In other words GIA relation approaches are as good as the other airlines like Cathay Pasific, Batik, Singapore airlines. This is also in line with the fact that only 54% of the respondents in this research do not have GFF membership cards and mostly fly with GIA once or twice per year (46%). This means that GIA customers do not have such a strong attachment with GIA that can influence their loyalty.

This is also in accordance with a study using a qualitative approach (Francisca et al., 2009). Customers who do not always have pleasant experiences with services provided by the company still purchase the products and even remain to be loyal to the company. This shows that relation is not the significant factor affecting customer loyalty.

Furthermore, sensorial experience has positive and significant influence on customer loyalty of GIA so the second hypothesis is accepted. GIA customers can enjoy variety of music during their flight. They also feel comfortable with the interior design. Besides that cabin crews also wear unique uniforms that are good to see. It’s not so surprising that GIA won “The World’s Best Cabin Crew” in 2015. Moreover, customers can not only enjoy good food but also good beverages. GIA serves customers with choices of dishes and desserts that become GIA’s added value compared with its competitors. Moreover, scented aromatherapy in the airplane can make customers relaxed and convenient. This result is in line with these researches (Francisca et al., 2009; Huang et al., 2015) stating that sensorial experience can form good impressions that will be stored in the minds of customers (Gobe, 2005). So when customers have good sensorial experience with the product or services, they will tend to be loyal to the brand.

The study also shows that imagination has positive and significant influence on customer loyalty of GIA. So the third hypothesis is proven. GIA approaches using interesting advertisements have been able to influence customers to fly with GIA. Spacious seating arrangement has become one of GIA competitive advantages that make customers feel convenient when they fly with GIA. Apart from that customers can also enjoy themselves with audio visual entertainments provided by GIA. Customers can choose the kinds of music they want, either traditional or pop Indonesian music or western and any others. They can also play movies with a lot of choices. As a whole, customers have good impression of GIA.
It is consistent with theoretical approaches stating that cognitive experience (through advertisements) can stimulate consumers’ creativity and encourage them to think differently based on their existing knowledge (Schmitt, 1999; Gobe, 2005). Thus, it may result in a strong relationship with the brand. Furthermore, imaginative approaches in emotional branding aim to realize customers’ expectations and win their hearts (Francisca et al., 2009).

Vision as the last variable in emotional branding has also positive and significant influence on GIA customer loyalty, so the fourth hypothesis is proven to be true. Customers agree that GIA is very consistent in delivering unique Indonesian hospitality which is in accordance with GIA vision. Besides that, customers feel that GIA has made product and service innovation that drive them to repurchase GIA products and services. Thus, the study is in accordance with a theorystating that the company should be able to maintain its products and services innovation to drive emotional attachments with its customers (Gobe, 2005).

GIA ability to be sustainable in the industry is also supported by the awards received within the last three years in a row. In 2013 GIA was awarded as “Best in Region: Asia and Australasia” in Passengers Choice Awards 2013. Then in 2014 GIA was again awarded as “Indonesia Most Admired Companies 2014” held by TEMPO in cooperation with Frontier Consulting Group and Marketing magazine. Once again GIA won the eighth of “Top Ten Airlines” from Skytrax (Garuda Annual Report, 2015).

This study has managerial implications that when emotional branding (relation, sensorial experience, imagination and vision) is well managed, it can be beneficial for the company especially in retaining customer loyalty. These four variables in emotional branding can be utilized from time to time so that customers who have emotional attachment with the company may come to repurchase the products or services.

It would be better if GIA also maintain good relationship with customers as among other variables, relation has positive influence but it is insignificant. So GIA can have continuous evaluation in understanding and fulfilling customers’ wants and needs as these might change when time goes by. It can be done by having not only Customer Satisfaction Index that can be put in Garuda magazine but also personal email to get customers’ feedback.

In addition to this, GIA can strengthen its Customer Relationship Management (CRM) through Garuda Frequent Flyer (GFF) by giving more additional and different facilities and benefits that other airlines do not provide. The previous benefits given to GFF holders are free tickets which are accumulaltet from customers’ milliagge, extra baggage allowance from 20 kgs to 25 kgs, special line queue and so on. This can be improved by having new cooperation and networking with hotel and restaurant chains to offer attracting transportation and accommodation packages.

To boost its customer satisfaction, GIA can continuously improve its service quality by paying attention to its flight time lines. It would be better if GIA can be able to evaluate its performance so that GIA can fly without any delay as many of GIA customers are business men who care a lot of punctuality.

For further research, it would be better is sample taken is not only from different parts of Indonesia but also from other countries as GIA customers are spread in different parts of the world. Some other variables may also be taken into consideration. This is to get more objective results.
Garuda Indonesia Airlines: Providing Emotional Experience to Retain Customer Loyalty

References


