# THE EFFECT OF BRAND TRUST AND BRAND LOYALTY (STUDIES IN THE UNIVERSITY OF BUDI LUHUR JAKARTA)

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## **ABSTRACT**

Brand is not just a name. Consumers can recognize the goods and services offered by the market through the brand. A brand can affect to consumers through emotional response positively perceived by the consumer, when the consumer uses the brand. Brand is believed to be more frequent in the purchase and can strong commitment to each purchase the brand. This study aimed to examine the effect of brand trust on brand loyalty in the University of Budi Luhur Jakarta. The design of this research is conducted with an explanatory approach. A collecting data used a survey method, the data obtained by distributing questionnaires to 94 respondents. The sampling method used is purposive sampling and sampling technique with certain considerations. Data were analyzed by SPSS software 19. From these results, it can be concluded that there is influence between a fulfillment of the promise to the consumer brand loyalty, acted well on brand loyalty, and demonstrate concentrate on brand loyalty.

Keywords: brand trust and brand loyalty.

# Introduction

The development of the service industry, especially the high of university in Indonesia is growing rapidly. Competition is so tight at the college, demanding universities can continue to compete it, and make universities must guard some customers. According to Tjahyadi (2006) said that the term of customer loyalty on an object, such as the brand, product, service, or the store. Brand loyalty is reflects to the customer, and to a particular brand. Brand loyalty is a condition where consumer discount positive attitude toward the brand, committed to the brand, and has procurement to continue in the future (Bastian, 2014).

According to Ibrahim (2011), that brand loyalty is one of the important concepts in marketing strategy. At present, especially the company such as universities should get loyal customers of the brand in order to survive in the competition. Therefore, managers of universities must be able to increase a brand loyalty of the customer in this case the student. According to Schiffman and Kanuk (2004: 227), brand loyalty is the attitude of consumers who consistently from time to time and make purchases on brand products and or services of the same.

According to Hafizah (2012), said that brand trust is one of the factors to affect the brand loyalty. Confidence in the perceived by brand will make consumers feel, then they have an exclusive relationship and importance to a particular brand.

According to Lau and Lee (1999) that connects between brand trust and brand loyalty, as well as by Lin and Lee (2012), that their confidence in the brand on the web users a positive effect on brand loyalty, and research by Setyawan (2008), concluded that brand trust is variable mediation of the relationship between the variables of satisfaction on the brand and brand loyalty has a positive effect on loyalty. Respondents in this study deliberately elected by 4th semester, these students are already enough experience and can already feel and concluded that the college where he enrolled can fulfill any promise to the students, faculty and employees acting properly and decently, as well as their caring attitude of college student will be able to affect the loyalty to the college where he enrolled. For further research problems, it can be formulated as follows: the influence of achieving results on brand loyalty?; the influence of acting and integrity to brand loyalty?; and whether there is influence between the demonstrate concern to brand loyalty? While the purpose of this study was to analyze the effect of achieving results to brand loyalty; the influence of acting and integrity to brand loyalty; influence between demonstrate concern to brand loyalty.

# FRAMEWORK AND HYPOTHESES CONCEPT

**Brand Trust** 

Elena Delgado in Brand Trust in the Context of Consumer Loyalty (2001: 1242) states that in the context of the brand, trust is defined as a feeling of safety obtained by consumers that the brand will meet the expectations of consumption which is the perception and the brand is reliable, the intention of the brand to the consumer. Brand trust is defined by Chatterjee and Chaudhuri (2005), as the customer's trust is built on reliability and integrity of a brand. This means that to obtain the necessary brand trust their integrity or also position a brand in the community, so that the community is able to trust and eventually decided to use the brand. Brand trust can rise because of the commitment of consumers who have been using and get the satisfaction of a product which will generate loyalty to the product (Tjiptono, Chandra & Diana, 2005).

Confidence a brand is the ability of a brand to be believed that originates in consumer confidence and the product is able to meet the proficiency level promised by values and intentions of both brands, also based on consumer confidence that the brand is able to prioritize the interests of consumers (Delgado in Ferrinadewi, 2008). Research by Cistabile in Ferrinadewi (2008) mentions

that brand trust is the perception of the reliability of a consumer standpoint and based on the experience, or the sequence of transactions or interaction characterized.

Ferinadewi in Bastian (2014) suggests, artifacts three activities that can be undertaken by the company to grow the consumer, such as: (a) Achieving result, the consumer expectation is nothing but the promise to be fulfilled if the consumer wants to gain the trust of consumers; (B) Acting with integrity, are acting with integrity means that the consistency between words and actions in every situation, lack of integrity is a key factor for either party to believe in the sincerity and the other party; (C) demonstrate concern, such as the company's ability to demonstrate the consumers in the form of indicating by consumer attitudes.

# Brand Loyalty

Brand Loyalty is a very important factor for a company, because if someone likes loyal to a brand, then it would tend to make purchases of any products introduced or produced by the brand. According to Suwarman (2011), revealed that a brand loyalty is a positive attitude toward brand for customer, which is the customers has a strong desire to buy the same brand at present and in the future. Rangkuti (2004) defines brand loyalty is measure about consumer loyalty to the brand.

Caruana and Msida (2002) stated that loyalty as: the degree which a customer shows repeat purchase behavior, giving positive attitude, and consider using providers. Blommer et al. (1998), depicts loyalty as behavior caused by increasing customer satisfaction. The behavior that follows the customer loyalty includes are:

- 1. The quality of services XYZ to others
- 2. Recommend XYZ by services to others
- 3. Encourage your friends or business partners to do business with XYZ
- 4. Consider XYZ as the first choice in using services
- 5. Doing more business with XYZ in the future.

Consumer loyalty is not formed within a short time, but through the learning process and based on the experience of the consumer itself of the purchase is consistent over time. When, obtained are in accordance with expectations, the buying process is repeated. It can be said that it has raised by consumer loyalty.

According to Schiffman and Kanuk (2009), said that a brand loyalty is the consumer preferences consistently to make a purchase on the same brand and a specific product or a specific service category. Brand loyalty is a strong commitment to subscribe or purchase a consistent brand in the future. Rangkuti (2009) explains that brand loyalty can be measured through: (a) behavior measures, a direct way to determine the loyalty, especially for habitual behavior; (B) measuring swith cost, measurement of these variables can be identified by customers in a brand loyalty; (C) measuring satisfaction, measurement of satisfaction or dissatisfaction of customers of a brand is the most important indicator of brand loyalty; (D) measuring brand liking, preference for the brand, trust, feelings of respect with a brand evokes a feeling of warmth and closeness to the customer; (E) measuring commitment, one of the key indicators is the number of interaction and customer commitments associated by the product.

# Research hypothesis

Based on the literature review above it can be described the conceptual framework of the study as a basis for the hypothesis formulations are as follows:

Achieving Result
Acting with Integrity
Demonstrate Concern

Figure 1. research hypothesis

Based on the conceptual framework can be formulated by:

- H1: achieving results to brand loyalty.
- H2: acting with integrity to brand loyalty.
- H3: demonstrate concern to brand loyalty.

#### RESEARCH METHODS

This study was included a category of explanatory research that describes a relationship between the variables through hypothesis testing (Ghozali, 2005: 2). This research was conducted in July 2015, and the research conducted by the University of Budi Luhur Jakarta. This study used purposive sampling, such as 4th semester student with the criteria above. The samples are 94 respondents. The data analysis is using multiple linear regression by SPSS 19.0 software. Operational definitions of variables brand trust are the ability of universities to be believed that comes from the confidence of students that university able to fulfill a promise to students, faculty and employees acting properly and decently, as well as their caring attitude of college to students in the form of discounts for alumni who will go to college to pursue higher degrees and their scholarships for outstanding students. Operational definitions of brand loyalty variables are increasingly loyal student in university that it will affect the commitments of emotional bond students with university as reflected by the students active and participated by some activities held on university. It is not easy by student to move other universities, their feeling proud of the student achievement and universities have intelligent and competent in the job market.

# DATA ANALYSIS RESULTS

## 1. Validity Test

Test the validity of Brazilians level for reliability and validity of the measurement tool which is used. The instrument is said to be valid when a measuring tool used to obtain the data can be used by measured (Sugiyono, 2010). These results show that a valid instrument is an instrument that is truly appropriate to measure what is to be measured. Based on the results shows that the validity of the item's value is greater than the standard validity is 0.3, this means that all items of brand trust and brand loyalty are qualified validity.

## 2. Reliability Test

Test reliability is a stability and consistency of the respondents in answering issues related to question which is a variable dimension and collated by the form of a questionnaire. The variable is reliable if the Cronbach "s alpha has a value greater than 0.60 (Anwar, 2004). The test results showed the reliability test on the column Cronbach "s alpha greater than 0.60, so it can be concluded that the statement construct an entire dimension of the variables are reliable, meaning items such statement is declared later to different people will have the same answer.

## 3. The Coefficient of Determination (R<sup>2</sup>) Test

The coefficient of determination aims to determine the level of accuracy of the nicest in the regression analysis. Coefficient determination is used to determine how much the relationship of multiple variables within the meaning clearer. The full research results show in summary the following models:

Table 1 Model Summary

			Adjusted R	Std. Error of the
Model	R	R Square	Square	Estimate
1	,482ª	,233	,207	4,496

a. Predictors: (Constant),

b. Dependent Variable: Brand Loyalty

Model summary table above shows that the value of R = 0.482 with determinant coefficient ( $R^2$ ) of 0.233, which is obtained from squaring the correlation coefficient 0.482 X 0.482. The figure shows that there is influence between brand trust on the brand loyalty in the University of Budi Luhur, Jakarta by 23.3%.

## 4 Correlation

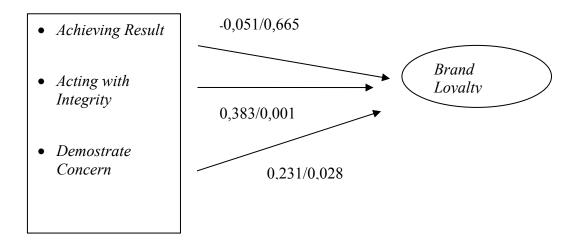
From the test results shows that the correlation value result is achieving product moment correlation (r = 0.269), acting with integrity (r = 0.436), and demonstrate concern (r = 0.344) with p-value greater than alpha = 0.01, respectively.

## 5. Regrression

Based on the results of the regression test brand trust on brand loyalty, it can be described the results of this study are as follows:

**Brand Trust** 

Figure 2 Results



From the picture above the regression test results, it appears that the value of the effect on brand loyalty Achieving result of 0.050 This means there is a significant effect, while the result of the influence of acting with integrity on brand loyalty and brand loyalty demonstrate concern by 0.383 and 0.231, this value indicates a significant influence.

#### RESULTS

Achieving empirical evidence indicates that the result has no effect on brand loyalty due to the persistence of students who feel not get the ease of service of academic and non-academic as well. This is because there are still students who do not find it easy to take care of the study plan card and not get the ease of collecting duties. Acting with integrity effect to brand loyalty. This indicates that the student is already perceive the college where he enrolled already providing good quality services and courteous reflected from faculty and staff provide a good attitude and courteous during the learning process takes place, whereas demonstrate concern effect on brand loyalty, this means that the college where he enrolled leave discount for alumni who will go to college to pursue higher and Scholarships for student achievers can increase consumer behavior in this case the students in the form of students feel comfortable studying at the college where he enrolled, improve measurement of the price in case the student does not easily switch to other universities because a tuition at universities where college pretty Low Price and universities provide facilities for payment in the form can be paid in installments, increase student satisfaction is reflected in the college has achievements that make students proud enrolled in college today and the services provided by universities high to make students feel comfortable, can increase the interest of students to universities in the form of higher education can produce insane intelligent and reliable as well as universities always scored alumni who are competent in the labor market, and can increase a commitment in the form is not easy for students to move on to college another high.

Bastian (2014) which states the influence of brand trust on brand loyalty in the water company of PT. Ades Alfindo Putra Setia, Bastian also mentioned the efforts for build consumers trust by fulfilling consumer needs for drinking water. Ferrinna Dewi (2008) mentions that trust the brand to be believed that originates in consumer confidence for the products are able to meet the promised value and intense both brands based on consumer confidence that the brand is able to interests of consumers. Consumer confidence in the brand will have an impact on consumer behavior or attitude of loyalty to a brand. And the results of this study also support from the research conducted by the Prime (2009) shows that there is a significant positive effect between brand trust to brand loyalty in the customer service Batavia Airlines. So, the results of this study showed that brand loyalty is high category.

# CONCLUSION

Based on the analysis that has been done can be concluded from this study is the result that achieving an effect on brand loyalty; Acting with integrity effect on brand loyalty; and demonstrate concern effect on brand loyalty. This shows the efforts of universities in building student confidence through the fulfillment of the promise of higher education to students need to be increased again, lecturers and employees behave properly and politely as well as their caring attitude of college students need to be maintained.

# SUGGESTION

Advice can be given researchers say the results of research that the University of Budi Luhur, Jakarta is expected to keep the student in order to remain faithful and to get new students through increased by brand trust. So as to create opportunities and increase a profit university with more ways to multiply again what the needs of students.

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