



The effect of trust in a brand on brand loyalty among ultra milk consumers

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ABSTRACT

This research is aimed to study empirically the effect of trust in a brand variable which includes brand characteristic, company characteristic and consumer – brand characteristic to brand loyalty. The mark being researched is Ultra Milk, which respondents are taking from the customer of Ultra Mining. The results of this research show that the simultaneous variable of trust in a brand has a significant effect on brand loyalty, but partially they have no significant effect on brand loyalty. The effect of trust in a brand to brand loyalty is 0.433 with a significance level of 0.000. While partially, the effect of trust in a brand variable is as follows: first, the brand characteristic has a significant effect to brand loyalty with a beta coefficient of 0.310 with a significance level of 0.008, where brand characteristic has a dominant effect to brand loyalty. Consumer – brand characteristics also have significant brand loyalty with a beta coefficient of 0.228 with a significance level of 0.024. The company characteristics have no significant effect on brand loyalty with a beta coefficient of 0.191 with a significance level of 0.073. In an effort to increase brand loyalty, the company must increase and maintain customer trust in the company. Brand characteristics are one of the most dominant variables that must remain to be controlled directly by the company the company must increase and maintain the trust of customers to the company. Brand characteristics are one of the most dominant variables that must remain to be controlled directly by the company the company must increase and maintain the trust of customers to the company. Brand characteristics are one of the most dominant variables that must remain to be controlled directly by the company.

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1. INTRODUCTION

Today the competition between companies is getting tougher, every company is no longer only required to survive but more than that, companies must be able to continue to develop their products. For that the company must be able to maintain its existing customers, or expand the market. Marketing experts argue that maintaining loyal customers is more efficient than finding new customers, thus efforts to maintain consumer loyalty are important things that producers must always do.

The liquid milk market has been growing in recent years, marked by an increase in the number of producers and the number of product variants, namely condensed milk, powdered milk and liquid milk itself. Liquid milk is more practical when compared to sweetened condensed milk or powdered milk because it can be consumed directly without being brewed with water first. In Indonesia, there are lots of packaged liquid milk products from various brands circulating.

PT Ultrajaya is an existing player with the most complete product variants both in terms of packaging size and taste. PT Ultrajaya, which is known as a producer of ultra brand milk, has used high technology, namely UHT (Ultra High Temperature). Based on AC Nielsen's research, it is known that PT Ultrajaya dominates the market with a share reaching 50% of the total, while its sales tend to increase with an average growth of 15-20% per year. The highest growth was achieved in 2004, reaching 32%, this growth occurred in line with increasing public awareness of the importance of consuming milk. (Republica.com)

Consumers who are loyal to a brand (brand loyalty) will be willing to pay more for that brand because they feel they have gained unique value or value in that brand that cannot be obtained from other brands. (Jacoby & Chestnut 1978; Pessemier 1959; Reichheld 1996). A brand must have a customer value that is far above the average of other similar brands in order to be able to attract consumers to buy it, foster customer emotional involvement and then build a bond of belief in the brand. The existence of competition between brands provides a number of advantages to consumers, one of which is to encourage promotion. Through brands, manufacturers have the opportunity to carry out product development and innovation so as to enable differentiation and segmentation to occur, then to attract consumers to buy these products and provide protection for the products they produce.

As one of the first packaged liquid milk producers to use UHT technology in Indonesia, of course PT Ultrajaya does not want its customers to switch to other products. PT Ultrajaya must be committed to always being the best so that its consumers are always loyal to consume Ultra Milk. Consumer loyalty cannot be obtained just like that, but requires a long process to convince consumers that the product is the best packaged liquid milk product. In addition, PT Ultrajaya also cooperates with several multi-national companies such as Nestle, Morinaga and others. This shows that PT Ultrajaya really wants to build the trust of its consumers.

The problems formulated in this study are Do the variable brand characteristics (brand characteristic), company characteristics (company characteristics) and consumer-brand characteristics (consumer-brand characteristic) together have a significant effect on brand loyalty among consumers of Ultra Milk? Do the brand characteristic, company characteristic and consumer-brand characteristic variables partially have a positive and significant effect on brand loyalty among consumers of Ultra Milk? what variable has the most dominant effect on brand loyalty?

2. RESEARCH METHOD

The type of research used in this research is descriptive research. The data is divided into two forms, namely secondary and primary. The primary data is further divided into qualitative data and quantitative data, then quantitative data can be further divided into descriptive and causal forms. The target population for this study is everyone who has never consumed ultra milk at least once. The sampling technique used in this study is nonprobability sampling, by taking the sample by convenience sampling. The number of samples to be used by researchers is determined based on the theory put forward by Naresh K. Malhotra by using the calculation of the Variance value and the desired level of accuracy. 2 Where the D value is determined at 3.5% of the average calculated from the average respondent's answers to questions and pervariable, $Z=1.96$ and Variance= 1.2525 at time.

$$n = \frac{\sigma^2 Z^2}{D^2}$$

Information :

D : Precision level

σ : Standard deviation

Z : Z-score (1.96)

n : Number of samples

Based on the results of these calculations, the number of respondents was 128.7063 people and rounded up to 130 people.

HO₁ : Variables of brand characteristics, company characteristics and brand-consumer characteristics together do not have a significant effect on brand loyalty.

Ha₁ : Variables of brand characteristics, company characteristics and brand-consumer characteristics together have a significant effect on brand loyalty.

HO₂ : Variable brand characteristics, company characteristics and brand-consumer characteristics partially have no significant effect on brand loyalty.

Ha₂ : Variables of brand characteristics, company characteristics and brand-consumer characteristics partially have a significant effect on brand loyalty.

3. RESULTS AND DISCUSSION

Test the validity and reliability

Table 1 Component Matrixa (after removing factors)

| Brand Characteristics | Components |
|--|------------|
| | 1 |
| BC (B-Reputation) Top of mind | .682 |
| BC (B-Reputation) Advertising | .648 |
| BC (B-Reputation) The best brand | .857 |
| BC (B-Predict) Perform Consistencies | .846 |
| BC (B-Predict) I Know Waht exactly to expect | .734 |
| BC (B-Compete) Meet the Consumer Needs | .767 |
| CC (Trust in Company) | .840 |
| CC (Comp-Reputation) Awards | .864 |
| CC (Perceived Motive Comp) Company attention to the Customer | .754 |
| CC (Comp-Integrity) Company is Honest in it's Dealing With it's Customers | .782 |
| Cons-Brand Char (Brand-Exp) Consumer Frequently | .875 |
| Cons-Brand Char (Brand-Liking) I Like This Brand | .899 |
| Cons-Brand Char (Brand-Liking) Easy to Handle | .789 |
| Cons-Brand Char (Brand-Satisfaction) Satisfy | .835 |
| Brand Loyalty (Search in available places) | .821 |
| Brand Loyalty (Denying negative opinions) | .870 |
| Brand Loyalty (Recommend liquid milk in other packaging) | .869 |
| Brand Loyalty (Willing to pay higher) | .741 |

Source: Processed primary data

Table 2 Reliability Statistics (after removing factors)

| Variable | Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|----------|------------------|--|------------|
| BC | .841 | .850 | 6 |
| CC | .825 | .826 | 4 |
| C-BC | .868 | .872 | 4 |
| bl | .842 | .844 | 4 |

Source: Processed Primary Data

Classic assumption test

Normality test

Normal P-P Plot of Regression Standardized Residual

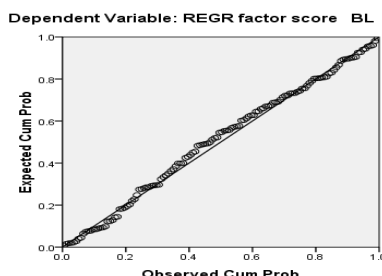


Figure 1 Normality test

Source: Processed primary data

Based on Figure 4.7 above, it can be seen that the distribution of data is spread around the straight line (not scattered far from the straight line) so that it can be said that the normality requirements can be fulfilled.

Linearity test

Table 3 ANOVA table

| REGR factor score | Between Groups | Sum of Squares | df | MeanSquare | F | Sig. |
|-------------------|--------------------------|----------------|-----|------------|-------|------|
| BL — C-BC | Deviation from Linearity | 79,532 | 114 | .698 | 1,480 | .206 |
| BL — CC | Deviation from Linearity | 75,176 | 109 | .695 | 1,240 | .305 |
| BL — BC | Deviation from Linearity | 77,124 | 125 | .617 | .758 | .729 |

Source: Processed Primary Data

Based on the results of the linearity test that has been carried out, it can be seen through the deviation from linearity values in the ANOVA table below. If the value is greater than 0.05 then the relationship between these variables is considered linear. The relationship between brand characteristic variables and brand loyalty has a deviation from linearity value of 0.729. The relationship between company characteristics and brand loyalty has a deviation from linearity value of 0.305, while the relationship between brand-consumer characteristics and brand loyalty is 0.206. All three values are above 0.05, so the relationship between the three can be said to be linear.

Multicollinearity test

Table 4 Multicollinearity test results

| Model | Unstandardized Coefficients | | Standardized Coefficients | | t | Sig. | Collinearity Statistics | |
|------------------------|-----------------------------|------------|---------------------------|-----|-------|-------|-------------------------|-------|
| | B | std. Error | B | tas | | | tolerance | VIF |
| 1 (Constant) | -4.490E-17 | .067 | | | .000 | 1,000 | | |
| REGR factor score BC | .310 | .116 | .310 | | 2,678 | .008 | .337 | 2,972 |
| REGR factor score CC | .191 | .106 | .191 | | 1,807 | .073 | .402 | 2,489 |
| REGR factor score C-BC | .228 | .100 | .228 | | 2,284 | .024 | .452 | 2,212 |

Source: Processed primary data

Based on the table above, it can be seen that the tolerance value for each variable is greater than 0.01 while the VIF value for each variable does not exceed 10. Thus it can be concluded that there are no symptoms of multicollinearity in the model used in this research.

Heteroscedasticity test

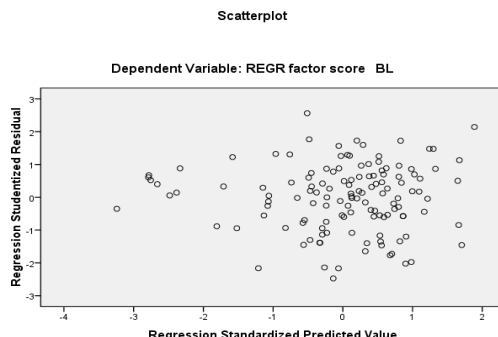


Figure 2 Heteroscedasticity test
Source: Processed primary data

From the picture above it can be seen that the points spread randomly and are spread both above and below the number 0 on the Y axis. From the picture it can be concluded that there is no heteroscedasticity in the regression model, so this regression model is feasible to use.

Table 5 Heteroscedasticity test results

| Model | Unstandardized Coefficients | | Standardized Coefficients | | t | Sig. |
|------------------------------|-----------------------------|------------|---------------------------|--|--------|------|
| | B | std. Error | Betas | | | |
| 1 (Constant) | .436 | .031 | | | 14,189 | .000 |
| REGR factor score analysis 2 | 1 for -.069 | 043 | -.194 | | -1,600 | .112 |
| REGR factor score analysis 3 | 1 for 043 | 043 | .120 | | .992 | .323 |
| REGR factor score analysis 4 | 1 for -.049 | 040 | -.138 | | -1,234 | .220 |

a. Dependent Variable: Absut
Source: Processed Primary Data

The results of the output display above show that none of the independent variables statistically significantly affect the dependent variable Absolute value (AbsUt). This can be seen from the significance probability which is above the 5% confidence level, so it can be concluded that the model studied does not contain heteroscedasticity.

Multiple regression analysis

Table 6 Results of multiple regression analysis Coefficientsa

| Model | Unstandardized Coefficients | | Standardized Coefficients | | t | Sig. |
|------------------------|-----------------------------|------------|---------------------------|--|-------|-------|
| | B | std. Error | Betas | | | |
| 1 (Constant) | -4.490E-17 | .067 | | | .000 | 1,000 |
| REGR factor score BC | .310 | .116 | .310 | | 2,678 | .008 |
| REGR factor score CC | .191 | .106 | .191 | | 1,807 | .073 |
| REGR factor score C-BC | .228 | .100 | .228 | | 2,284 | .024 |

a. Dependent Variable: REGR factor score BL
Source: Processed Primary Data

Based on the results obtained from table 4.10, we can already make the regression equation, the equation is as follows:

$$\hat{Y} = -4.49 \times 10^{-17} + 0.310 Bc + 0.191 Cc + 0.228 C-Bc$$

The model above is the predicted value of brand loyalty in a standardized variable value scale. The value used to make this equation is the standardized beta value or (standardized beta

coefficient), this value is used because it is the result of processing or factor score regression instead of the average value of each indicator.

T test

Based on table 6, it can be concluded that for the brand characteristic variable, the p-value is 0.008 or $0.008 \leq 0.05$ so that it can be said that there is an influence between the two variables and H_0 is rejected. In the consumer-brand characteristic variable, the p-value is 0.024, which is less than 0.05, so H_0 is rejected. Meanwhile, in the company characteristic variable, it can be seen that the p-value is 0.073 where the value is greater than 0.05 so that H_0 cannot be rejected.

Thus it can be concluded that the brand characteristic and consumer-brand characteristics variables have a significant effect on the dependent variable, while the company characteristic variables do not have a significant effect on the dependent variable at the alpha 0.05. So partially only the brand characteristic and consumer-brand characteristic variables have an effect on the brand loyalty variable.

F test

Table 7 Test results f

| Model | Sum of Squares | df | MeanSquare | F | Sig. |
|--------------|----------------|-----|------------|--------|-------|
| 1 Regression | 55,860 | 3 | 18,620 | 32,077 | .000a |
| residual | 73,140 | 126 | .580 | | |
| Total | 129,000 | 129 | | | |

- a. Predictors: (Constant), REGR factor score C-BC, REGR factor score CC, REGR factor score BC
- b. Dependent Variable: REGR factor score BL

Source: Processed primary data

The significance value is 0.000 or <0.05 . This result indicates that the null hypothesis (H_0) is rejected. The inevitability of H_a causes the variables of brand characteristics, company characteristics and brand-consumer characteristics to jointly influence Susu Ultra brand loyalty.

R Square

Table 8 R square Summary model

| Model | R | R Square | Adjusted R Square | std. Error of the Estimate | Durbin-Watson |
|-------|-------|----------|-------------------|----------------------------|---------------|
| 1 | .658a | .433 | .420 | .76189083 | 1,713 |

- a. Predictors: (Constant), REGR factor score C-BC, REGR factor score CC, REGR factor BC score
- b. Dependent Variable: REGR factor score BL

Source: Processed primary data

The R_2 value of 0.420 illustrates the influence of brand characteristic variables, company characteristics and brand-consumer characteristics on brand loyalty variable amounting to 42.0% while the remaining 58.0% is a contribution from other variables not included in this study.

4. CONCLUSION

Based on the results of the analysis and discussion of the research on "The Influence of Trust in a Brand on Brand Loyalty in Ultra Milk Consumers", the following conclusions can be drawn 1. Based on the results of the t-test analysis on the independent variables, the following conclusions can be drawn: a. Variable brand characteristics (brand characteristic) partially have a significant influence on brand loyalty (brand loyalty). This means that PT Ultrajaya managed to build consumer loyalty through cultivating a strong brand image in the community so that Ultra Milk is placed as a top of mind brand. b. Variable consumer-brand characteristics (consumer-brand characteristic) partially has a significant influence on brand loyalty (brand loyalty). This means that Susu Ultra has succeeded in building consumer loyalty by providing products that satisfy consumers. c. In the variable company characteristics (company characteristic) it can be concluded that partially these

variables do not have a significant influence on brand loyalty (brand loyalty). so that the null hypothesis 2 (Ho2) cannot be rejected. This means that company visit activities and awards received by the company have no effect on the formation of brand loyalty. so that the null hypothesis 2 (Ho2) cannot be rejected. This means that company visit activities and awards received by the company have no effect on the formation of brand loyalty. so that the null hypothesis 2 (Ho2) cannot be rejected. This means that company visit activities and awards received by the company have no effect on the formation of brand loyalty.

The results of the analysis on the f-test through the ANOVA table (table 4.11) prove that there is a significant relationship between the variables of brand characteristics, company characteristics and brand-consumer characteristics to brand loyalty. These results indicate that the null hypothesis 1 (Ho1) is rejected. This means that together all the components in the variables of brand characteristics, company characteristics, and brand-consumer characteristics influence the formation of brand loyalty. The magnitude of the influence of the variable trust in the brand (trust in a brand) on brand loyalty can be explained by the three independent variables together, namely 42%, while the remaining 58% comes from other variables not included in the research model. Among the three independent variables, the brand characteristic variable has the most dominant influence when compared to the other two independent variables.

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