

# A Study on Brand Commitment and Brand Trust towards Brand Loyalty of Branded Systems

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**ABSTRACT:** *The business competition is a higher sharpening, consumer preferences and behavior change information technology develops rapidly on business to focus on better respond and to enhance customer loyalty. The brand competition of PC is increasingly competitive. The manufacturers is trying to needs and wants of consumers by offering a variety of products with a many categories based on specifications, color, size and price. The aim of this study is to investigate the effects of brand experience and brand trust to enhancing brand commitment. The data of the study collected by survey method. The sample in this research is the students from three cities in Indonesia as Yogyakarta, Semarang and Jakarta. The analysis of this research uses SEM. The results of testing four hypotheses of the study as significant. Brand experience support to brand commitment. Brand trust support to brand commitment. Brand commitment support on brand loyalty.*

**Keywords:** Brand Experience, Brand Satisfaction, Brand Trust, Brand Commitment, Brand Loyalty

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## 1. Introduction

Brand is an important asset of a business and it can be a relationship between the business and consumers. Brand is a description of the product and service type to business offering. The earlier studies describe the brand reputation as the effect on performance both in financial and nonfinancial issues and it actually makes the importance of brand management [1]. A high tech product is considered not to able to create a significant difference compared to competitors because the consumers are experiencing shifts of needs and requirements at present [2]. The shifting need and requirements of consumer demands marketers to create a product that is able to provide value functionally, emotionally and expressively.

Brand commitment define a consumer act of repossessing a brand that is creating suitability to need and desire. A brand of laptop product will be successful if it maintains brand positioning that will be associated as a good brand. A brand has inherent brand image among the public, always initiate the digital age with technology innovations keeping up with development of the era, offering high quality product, attractive product design and implement differentiation and diversification of products, set varied and affordable prices. The types of consumers should be understood in order to create brand commitment. Tanford Raab [3] asserts that the brand commitment can be grouped into two types, namely affective commitment and value commitment. The value commitment tends to be more sensitive to price and indicates low involvement of consumer, while affective commitment has higher tendency toward product and price differentiation and high involvement.

The study of brand experience will be interesting because there are contradictory results as expressed by Delgado-Ballester and Aleman [4]. Furthermore, Delgado-Ballester and Aleman [4] explain that trust is a mediating variable of relationship between satisfaction and commitment, which means that marketers must create consumer involvement with brand by providing an enjoyable experience so that frequency of interaction with the brand will run long. Finally, it will be create confidence in quality, reputation and convenience in using the product brand. Brand experience is conceptualized assensation, feeling, cognition, and behavioral responses induced by stimuli and related to a brand that is the part of the the brand such as the design and identity, packaging, communication, and the environment [5].

Brand trust is a dominant factor to a role and enhance the consumer loyalty with a specific brand. According to Ferrinadewi [2] consumer's trust to a brand can be obtained product if a marketer create and maintain a positive emotional relationship with the consumer. If consumers possess a positive outlook on a brand, then the tendency be satisfied with the brand turns on the purchase repeated [6]. This positive emotional relationship should be long term to develop, but it should be consistent and persistent. Marketers must be able to create consumer trust in a brand to create loyalty, because consumer loyalty to a brand can not be described without consumer's trust in the brand. Based on the background to the research, this study is to examine the mediating effect of brand commitment to enhance brand experience and brand loyalty.

## **2. Literature Review and Hypothesis Development**

### **2.1 The Relationship between Brand Experience on Brand Commitment**

Brand experience can be defined as personal activities to respond a product or service. For example, marketers need to develop and control environment situation for customer and what to achieve in customer activities. In general study, the experience is not generated on personality but it is persuade psychologically. We explain experience is something that had a happened unintentionally. Brand experience can explain on ten involve elements of sensory, emotional, cognitive, behavioral and relational values and a functional value [7].

Morgan and Hunt [8] define commitment as “an enduring desire to maintain a value of relationship. Delgado-Ballester and Aleman [4] assert that trust is a variable mediating relationship between satisfaction and commitment. Moreover, the meaning that if level of satisfaction with a brand cannot make a consumer to be committed directly to use the brand, but commitment can through a high level trust based on experience while using the branded product.

Brand experience is a conceptual, cognition, and behavioral response that is associated with a design and identity, labelling, communication, and environment [5]. Hee Jung and Myung Soo [9] explain the brand experience as affected significantly on brand commitment. The findings shown affective brand experience and behavioral brand experience has a positive effect on brand commitment. It means that a consumer experience in both perceived knowledge and behavior with the needs and expectations, to commit a used a brand. Based on literature review and previous study, we propose the following:

*Hypothesis 1: Brand experience has positive effect on brand commitment*

### **2.2 The Relationship between Brand trust and Brand Commitment**

Luarn and Lin [10] described trust as a specific belief in integrity, and competency. Trust in a brand is willingness to belief in the brand at all costs because of existing hope promised by the brand in delivering positive outcomes for consumers. Trust of brand has aspects guiding consumers in a decision making to product buying.

The effort of brand commitment cannot be separated from cognitive and affective aspects. Brand commitment is a ability a consumer to commit and to leave a brand. Delgado-Ballester and Aleman [4] explained that brand trust is affecting on brand

commitment. Chaudhuri and Holbrook [11] described that a relational exchange and analysis for determining the role of brand trust and brand effect on brand commitment. The findings showed that the brand trust affects brand commitment, and improve performance of the brand.

In a similar study, Sanchez-Franco [12] suggest that the brand trust had positive effect on brand commitment. Moreover, Munyaradzi Nyadzayo and Matanda [13] described a relationship of brand commitment is significant and affect the brand image. This shows that confidence of an individual on experience with a brand would create a positive image. As we know that an image can be interpreted as a combination of a number of thoughts, associations an individual relationship with a product, brand, company, or even a person. Brand image is always associated with the trust of expectation of creating a corporate reputation. The findings were consistent with Erkmen and Hancer [14] that brand trust has effect on brand commitment. It means that when an individual has trust in a brand, customer will develop trust to commit. Trust is a strong predictor in determining on commitment. Customers who already have trust, will have commitment and a higher of brand loyalty. Based on literature review and previous study, we propose the following:

*Hypothesis 2: Brand trust has positive effect on brand commitment*

### **2.3 The relationship between Brand Trust and Brand loyalty**

Lau and Lee [15] argue that brand loyalty can not be achieved with other measure, but how a relationship between brand trust and brand loyalty. Moreover, brand trust is very important and it is one of the key factors to develop brand loyalty in the study of brand satisfaction, brand trust and brand loyalty. For example Horppu, Kuivalainen [16] explain the features that affect on the brand purchase online and offline. The findings indicated that website trust for online purchase will affect a need to repurchase and it will create loyalty.

Chaudhuri and Holbrook [17] describe that the brand loyalty will be created of brand trust and the effect of brand on customer involvement through hedonic and utilitarian values of a product. The categories of a product brand create value and can enhance target manufacturers. At hedonic level, customer tend to buy branded products because of element of pleasure and want to see when using the brand. While, at utilitarian level, customer make to see more on use or function of a product so that they are more sensitive to price. Price is largely affecting the association of customer to quality level of a branded product.

Sahin, Zehir [18] explain that the higher brand trust, the higher the brand loyalty. In other study, Laroche and Habibi [19] suggested that brand trust had effect on brand loyalty. The other result was presented by Hee Jung and Myung Soo [9] that brand trust had effect on brand loyalty. It means that the higher trust of a personal in a brand trust, the higher tendency of an individual to have the brand continuously and ultimately, it produces brand loyalty. Based on review of the literature and previous study, we present and propose hypothesis as follow:

*Hypothesis 3: Brand trust has positive effect, the higher brand loyalty.*

### **2.4 The relationship Between Brand Commitment and Brand loyalty**

Brand loyalty can be created if customers develop brand trust (Ferrinadewi [2]). Customer trust will be created if customer using experience on the brand. Tsai [20] suggested that antecedents of brand loyalty on brand commitment, brand trust, brand satisfaction, and the relationship of trust and brand attachment. The findings demonstrated brand commitment had effect on brand loyalty. It means that the higher action of using a brand, the greater knowledge of brand design, quality, reputation and excellence a customer obtains and then, it will form a need to make commitment to use the brand again, and ultimately, it creates brand loyalty.

Hee Jung and Myung Soo [9] investigated the brand commitment effect on brand loyalty. The research shows that the higher brand trust of an individual and the higher brand loyalty. When an individual has a high brand loyalty, then he will try to use the brand continuously by competitive brands. Based on literature and previous study, we propose:

*Hypothesis 4: Brand commitment has positive effecton brand loyalty.*

Based on the literature review and previous study, we develop an empirical model of research that can be described as follows.

The research framework explains the importance of brand experience and brand trust to create brand commitment. Brand

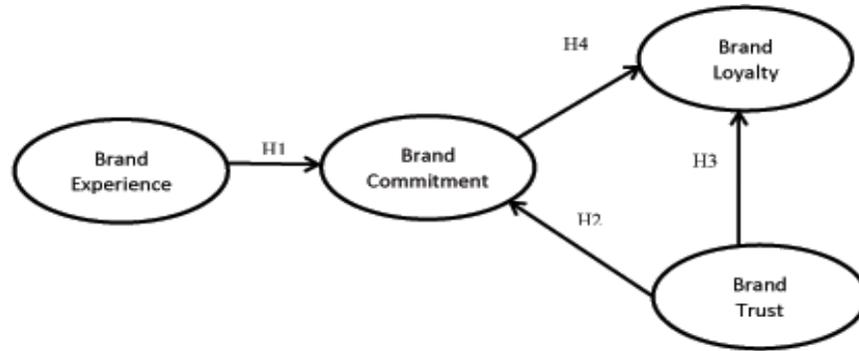


Figure 1. Research Model

experience and brand trust in this research will create consumer action to enhancing brand loyalty which then leads and than to the achieve consumer decision making.

### 3. Research Method and Measures

Data is collected with a survey method and distributing questionnaire with open and closed statement of perceived of branded laptop product. The sample of the research is 300 respondents representing the three cities and the respondents are taken with a purposive sampling method. The respondents are male and female students in higher education in Indonesia. The hypothesis is tested using Structural Equation Modelling (SEM) software. All the variables in this research, i.e. brand experience, brand trust, brand commitment and brand loyalty, were measured with questionnaire by using likert-scale with answer scale 1–5. The scale represented the rating from ‘strongly disagree’ to ‘strongly agree’.

### 4. Screening Data

The sample in this research was the students in three colleges in Indonesia, namely: Yogyakarta, Semarang and Jakarta. These three cities are selected because they are known cities of higher institution students. Total respondents were as many as 200 students. Purposive sampling was used to collect sample of this research.

The total respondents in this study was 200 who were students of three colleges in Semarang, Yogyakarta and Jakarta. Based on the survey distributed, 197 questionnaires were filled completely. After screening and normality days the total remaining sample of this research was 184 respondents.

### 5. Confirmatory Factor Analysis and Reliability

Based on confirmatory factor analysis, we observed validity and reliable indicators in full model testing of SEM. Validity is examined by using face validity that use a basic test model of a content validity indicating that the items used to measure a concept [21]. Validity of instruments is examined by using Confirmatory Factor Analysis for items of questionnaire assisted by SPSS16 software. The value of rule validity will be used for CFA should be  $\geq 0.4$  [22].

Reliability test in this models to measure and reflecting in construct, thus providing a consistent measurement on each item in the instrument [21]. Item consistency of questions of the questionnaire is tested with Cronbach Alpha. The rule of value used for Cronbach’s Alpha value must be more than 0.7, even though value of 0.6 is acceptable [22]. Cronbach’s Alpha formula is used to test reliability of the questionnaire instrument assisted by SPSS 16 software.

The instrument testing used the validity test and some indicators were eliminated because their values did not require factor loading. Some items selected had validity of above 0.70. It indicates the instrument is actually measuring actual model [21]. Therefore, reliability test shown consists of the measurement scale. A questionnaire used is reliable or trust worthy if an individual’s answers on questionnaire consist from time. All variables were declared reliable because they had Cronbach’s Alpha more than 0.7. The results of this model can be demonstrated in a table of validity and reliability testing. Moreover the table 1 shown the analysis factors of indicator and construct.

Contract and Measurement Item	Standardized Loadings Factor
<b>Brand Experience</b> (Cronbach's $\alpha = 0.846$ ) <ul style="list-style-type: none"> <li>The branded laptop is attractive uniquely (BE1).</li> <li>The branded laptop is easily to use (BE2).</li> <li>The branded laptop has excellent and very useful additional features (BE3).</li> <li>The branded laptop is preferred (BE4)</li> </ul>	0.782 0.771 0.760 0.736
<b>Brand Trust</b> (Cronbach's $\alpha = 0.834$ ) <ul style="list-style-type: none"> <li>The branded laptop is reliable (BT1).</li> <li>The branded laptop is trustworthy (BT2).</li> <li>The branded laptop has high reputation (BT3).</li> <li>Innovation of the branded laptop is always up-to- date (BT4).</li> </ul>	0.775 0.697 0.802 0.716
<b>Brand commitment</b> (Cronbach's $\alpha = 0.831$ ) <ul style="list-style-type: none"> <li>Good quality LCD (BC1).</li> <li>Use the branded laptop gives prestige value (BC2).</li> <li>I will buy the branded laptop because its various type and long-lasting touch (BC3).</li> <li>The branded laptop is the best value other brands (BC4).</li> </ul>	0.723 0.776 0.713 0.767
<b>Brand loyalty</b> (Cronbach's $\alpha = 0.885$ ) <ul style="list-style-type: none"> <li>The branded laptop provides varied prices and types (BL1).</li> <li>Good service support for maintenance (BL2).</li> <li>The branded laptop has strenght image (BL3).</li> </ul>	0.858 0.850 0.835

Table 1. Measurement scales, confirmatory factor analysis results, and Cronbach's Alpha Coefficient

## 6. Result and Discussion

The analysis of this study use the confirmatory factor analyze (CFA) to investigate indicator and construct. Measurement model and fit model to define latent constructs, and a full model of SEM can be analyzed. The empirically model test use a Structural Equation Modeling. The model indicates Chi-square= 124.044 with probability value of 0.004 at the Degree of Freedom of 85;

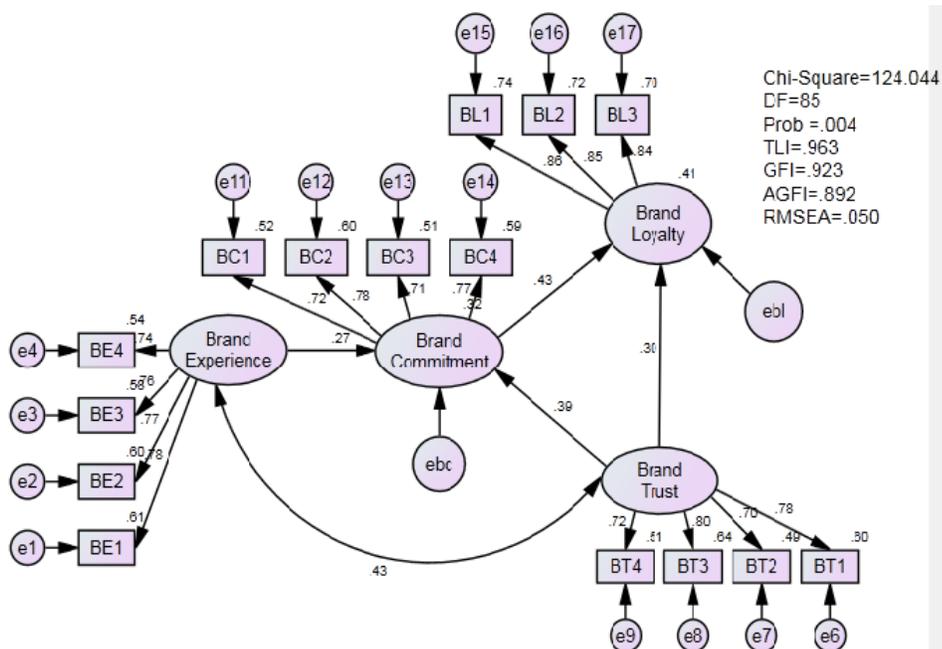


Figure 2. The results of Full Model Analysis

GFI=0.923, AGFI=0.892 and TLI=0.963, while value of RMSEA=0.050. The result of the model is a Fit. Based on statistically analysis, the results of this study indicate conformity with the required standard values. As shown in Figure 2 the results of the Full Analysis Model.

Source: *Processed primary data (2016)*

The framework is explained in the context of full model analysis in the following subsections with in regression weights. There are four hypotheses are accepted, hypothesis 1 until 4 is significant. Consequently, brand loyalty will be created. The study consists of Erkmén and Hancer [14] theory that if a person have trust, he or she will tend to have a commitment to repurchase intention. Brand experience affects brand commitment. It means that experience will shown whether quality of a brand has been communicated by advertisements or information obtained from a variety of references. If perceived experience about quality of a product brand is high, it will create trust in reputation of the brand.

Laptop product is a superior product item but it has a daily commodity and consumption using product activity. Customers want to buy a laptop will seek a variety information about specifications, functions, brands, designs, prices, and advance. Then, these attributes will be evaluated by considering advices from reference or family. Therefore, they come to retail and the choice of brands available. The effect of the retail will be able to affect the choice of laptop brands. The result of this hypothesis is supported by the open statement on the questionnaire which respondents to purchase intention. However, if they have a variety seeking information to choose, they will have preference of brands with prestige value and develop future, for example in Apple, Sony Vaio, Fujitsu.

Hypotheses 2 were supported. Th result indicates that brand trust has a significant effect on brand commitment. It means that the higher trust of consumers towards a brand will induce action of higher involvement the brand in the future. Hypothesis 3 indicates brand trust has a significant effect on brand loyalty. It means that the higher trust of an individual with a particular brand will create brand trust in the brand, a loyalty the brand, it will affect the brand trust to brand loyalty.

Hypothesis 4 indicates brand commitment has a significant effect on brand loyalty. Its means that the higher brand commitment an individual can enhance brand 7 loyalty of laptop product because it produces higher loyalty than expected one, it will create an brand commitment to enhance brand loyalty. The results consist with study of [4, 23].

Hypothesis		Standardized path coefficients	t value	Prob.	Result
H1	Brand experience → Brand commitment	0.255	2.968	0.003	Significant
H2	Brand trust → Brand commitment	0.376	4.001	0.000	Significant
H3	Brand trust → Brand loyalty	0.417	3.330	0.000	Significant
H4	Brand commitment → Brand loyalty	0.615	4.558	0.000	Significant

Note: \*Significant at  $p \leq 0.05$ ; if  $(t) \geq 1.96$

Table 2. Line Test Results Coefficient: brand experience, brand trust, brand commitment and brand loyalty

## 7. Conclusion and Limitation

The analysis of this study uses structural equation modelling with AMOS Program. This study develops of four hypotheses. The research shown all hypotheses were supported. Hypothesis 1 states that brand experience has significant effect on brand commitment. Hypothesis 2 states that brand trust has significant effect on brand commitment. Hypothesis 3 states that brand trust has significant effect on brand loyalty. Hypothesis 4 states that brand commitment has significant effect on brand loyalty.

Business can pay attention which consumer will be targeted, since there are two types of consumers e.g. consumers with brand loyalty and price loyalty. Consumers who are loyal to the price of a product will look at product based on functional aspect and they do not think of emotional and expressive aspects. Finally, consumers who are loyal to a brand and prefer a product with recognize reputation. Since price determines level of quality a product for switching customer.

This study explains several conceptual and contextual features for future research. The Structural Equation Model is an analysis that had not shown many indicators and constructs that should be eliminated, because loading factor values were lower than 0.7., it means that the proposed indicator is not to measure the construct.

Therefore the future research should focus and more attention to aspects of content and context. The unit analysis is also less in this study due to the current laptop products are no longer a luxury product but they shift as commodity that are commonly used by university students. The unit analysis and construct of a future research may emphasize on categories of involvement in repurchase intention.

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