

An Analysis of Factors Affecting Brand Loyalty to E-Commerce Users Mediated by Brand Trust

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ABSTRACT

This study aimed to analyze the factors that influence brand loyalty, and the role of brand trust as an intervening variable in E-Commerce users. Two hundred and fifty (250) respondents participated in the sample data collection. The results of this study found that brand trust and brand image did not affect brand trust. Brand positioning, customer satisfaction, and brand awareness had a significant effect on brand trust. And, brand trust had a significant effect on brand loyalty.

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1. INTRODUCTION

Internet access turns all activities more practical and easier and gives many benefits. In the economic sector, buying and selling activities, both products and services can be carried out by consumers online through the internet.

Consumers do not need to spend more time going out to a store to buy the product they need. E-Commerce is a technology created from emerging innovations. This technology is usually in the form of an application or website to connect sellers either companies or individuals with buyers in conducting electronic transactions. Various kinds of E-Commerce that have emerged in Indonesia such as Shopee, Tokopedia, Lazada, and others provide cashless transactions and virtual money (Quan, Chi, Nhung, Ngan, & Phong, 2020).

According to We Are Social sources, 88.1% of Indonesians use the Internet and E-Commerce services to buy products. According to these data, it is evident that marketing using E-Commerce is the right step and gets an opportunity to gain profit. The increasing number of E-Commerce users in Indonesia makes E-Commerce companies continue to grow so that they can compete with competitors who have a comprehensive marketing strategy (Ebrahim, 2020).

The various ways and strategies of companies to build and maintain brand loyalty are the virtues of one of the many marketing theories, one of which is the formation of a sustainable competitive advantage over time (Atulkar, 2020). In this study, brand experience and brand image refer to the experience that consumers feel about using the marketplace. The brand positioning and brand awareness variables refer to how close consumers are to the marketplace companies they often use. The customer satisfaction variable refers to the satisfaction felt by consumers. These five variables affect brand trust on brand loyalty. Importance of companies starting to do online transactions, by prioritizing several strategic ways of organizing the web to achieve this goal. Therefore, it triggered the researchers analyzed Factors Affecting Brand loyalty in E-Commerce Users mediated by Brand trust".

The purposes of this research are as follows:

1. To investigate the effect of brand experience in influencing brand trust.
2. To investigate the effect of brand image in influencing brand trust.
3. To investigate the effect of brand positioning in influencing brand trust.
4. To investigate the effect of customer satisfaction in influencing brand trust.
5. To investigate the effect of brand awareness in influencing brand trust.
6. To investigate the effect of brand trust on brand loyalty.

Research Framework and Hypotheses Formulation

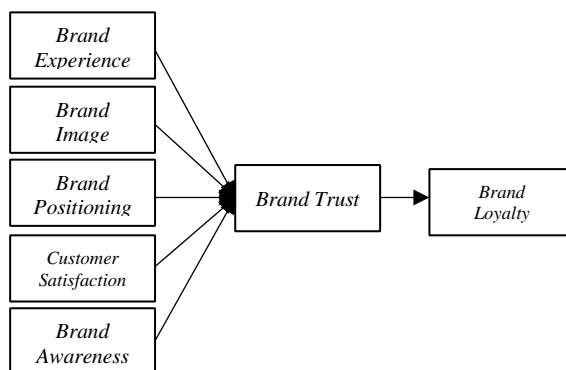


Figure 1. Research framework

The following is a hypothesis formulation based on the problem above:

1. Brand experience, brand image, brand positioning, customer satisfaction, and brand awareness have a significant effect on brand trust.
2. Brand trust has a significant effect on brand loyalty.

2. METHODS

This study was quantitative research, using methods to test the hypotheses on samples or populations that had been determined based on facts (Adinda et al., 2018). The population was the E-Commerce users with a total sample of 250 respondents, the questionnaire utilized a Likert scale.

There were 2 main parts of the questionnaire, the first was respondent data and the second contained respondents' statements regarding brand experience, brand image, brand positioning, customer satisfaction, brand awareness, brand trust, and brand loyalty. Data collection was carried out for 8 months starting from February 2022 to September 2022.

The tools used in this study to test the data were SPSS 21 and PLS 3.0. The CMB value was measured using the SPSS tool to analyze the hypothesis test using the PLS tool.

3. RESULTS AND DISCUSSION

Based on CMB testing, the data was analyzed using SPSS version 21, the variance value in this study was 45.075%. The results obtained were <50%, meaning that the questionnaire had been filled out by the respondent accordingly.

3.1. Validity Test

Validity testing was conducted to measure whether the data that had been obtained for testing was valid or not. A statement is valid if the outer loading value is > 0.5. All indicators were declared valid because they had obtained an outer loading value above 0.5.

Table 1. Validity Test Result

Variable	Outer Loading	Description
Brand Awareness 1	0.835	Valid
Brand Awareness 2	0.768	Valid
Brand Awareness 3	0.842	Valid
Brand Experience 1	0.777	Valid
Brand Experience 2	0.808	Valid
Brand Experience 3	0.814	Valid
Brand Image 1	0.748	Valid
Brand Image 2	0.854	Valid
Brand Image 3	0.832	Valid
Brand Loyalty 1	0.850	Valid
Brand Loyalty 2	0.859	Valid
Brand Loyalty 3	0.873	Valid

Brand Positioning 1	0.870	Valid
Brand Positioning 2	0.547	Valid
Brand Positioning 3	0.842	Valid
Brand Trust 1	0.838	Valid
Brand Trust 2	0.904	Valid
Brand Trust 3	0.909	Valid
Customer Satisfaction 1	0.858	Valid
Customer Satisfaction 2	0.888	Valid
Customer Satisfaction 3	0.875	Valid

Source: Primary data processed (2022)

3.2. Average Variance Extracted (AVE)

The validity test was carried out to find out if the indicators used in this study were in line with describing the variables studied. A variable is correct if the AVE value is > 0.5. Table 2 shows the results of the AVE test and shows that all variables were valid because the AVE value matched the criteria.

Table 2. Average Variance Extracted (AVE) Test Result

Variabel	AVE	Description
Brand Awareness	0.665	Valid
Brand Experience	0.640	Valid
Brand Image	0.660	Valid
Brand Loyalty	0.741	Valid
Brand Positioning	0.588	Valid
Brand Trust	0.781	Valid
Customer Satisfaction	0.763	Valid

Source: Primary data processed (2022)

The brand awareness variable showed an AVE of 0.665 and there are not any indicators of brand awareness were removed. Thus, it was appropriate and it met the criteria.

The brand experience variable showed an AVE of 0.640 and there are not any indicators of brand experience that were removed so the brand experience variable has met the criteria.

The brand image variable showed an AVE of 0.660 and there are not any indicators of the brand image were omitted. It concluded that the brand image variable has met the criteria.

The brand loyalty variable showed an AVE of 0.741 and there are not any indicators of brand loyalty were omitted. Based on the existing data, it can be concluded that the brand loyalty variable has met the criteria.

The brand positioning variable showed an AVE of 0.588 and there are not any indicators of brand positioning were removed. Based on the existing data, the brand positioning variable has met the criteria.

The brand trust variable showed an AVE of 0.781 and no indicators of brand trust were removed. Based on the existing data, it can be concluded that the brand trust variable has met the criteria.

The customer satisfaction variable showed an AVE of 0.763 and no indicators of customer satisfaction were removed. Based on the existing data, it can be concluded that the customer satisfaction variable has met the criteria.

3.3. Reability Test Result

The reliability test was to determine the results whether or not each respondent was stable on the questions that had been presented in the questionnaire. Composite reliability and Cronbach's alpha were implemented to measure instrument reliability. The Cronbach's alpha measured the reliability of lower variables so it was recommended to use composite reliability. The variable can be declared reliable if Cronbach's alpha >0.70 (Desyantoro & Widhiastuti, 2021). In Table 3, all questions were declared reliable because the composite reliability showed more than 0.7.

Table 3. Reability Test Result

Variabel	Composite Reability	Description
Brand Awareness	0.856	Reliabel
Brand Experience	0.842	Reliabel
Brand Image	0.853	Reliabel
Brand Loyalty	0.896	Reliabel
Brand Positioning	0.805	Reliabel
Brand Trust	0.915	Reliabel
Customer Satisfaction	0.906	Reliabel

Source: Primary data processed (2022)

3.4. Inner Model (Evaluation of Structural Model)

A significant relationship with a significance value <0.05 shows a t-statistics value >1.96 . Data testing can be seen in the table below.

Table 4. Direct Effect Test Results

Variabel	T-Statistics	Conclusion
Brand Experience -> Brand Trust	1.330	H1: No Effect
Brand Image -> Brand Trust	0.614	H2: No Effect
Brand Positioning -> Brand Trust	2.037	H3: Positively Significant
Customer Satisfaction -> Brand Trust	4.192	H4: Positively Significant
Brand Awareness -> Brand Trust	2.560	H5: Positively Significant
Brand Trust -> Brand Loyalty	9.967	H6: Positively Significant

Source: Primary data processed (2022)

Table 5. Test Results of the Effect of Mediation Effect

Variabel	T- Statistics	Conclusion
Brand Awareness -> Brand Trust -> Brand Loyalty	2.294	H1: Positively Significant
Brand Experience -> Brand Trust -> Brand Loyalty	1.230	H2: No Effect
Brand Image -> Brand Trust -> Brand Loyalty	0.587	H3: No Effect
Brand Positioning -> Brand Trust -> Brand Loyalty	2.117	H4: Positively Significant
Customer Satisfaction -> Brand Trust -> Brand Loyalty	3.332	H5: Positively Significant

Source: Primary data processed (2022)

3.4.1. Hypothesis 1: Brand experience has a significant positive effect on brand trust

The results in Table 4 show the t-statistics on brand experience with brand trust of 1.330. It meant that the brand experience variable does not affect brand trust. From the calculation obtained, the hypothesis could not be accepted. This result shows that the buyer's experience does not affect trust in the brand. Thus, this research is not in line with the research of Kim & Chao, (2019) and Marliawati & Cahyaningdyah (2020).

3.4.2. Hypothesis 2: Brand image has a significant positive effect on brand trust

The results in Table 4 show t-statistics on a brand image with a brand trust of 0.614. This means that the brand image variable does not affect brand trust and the hypothesis could not be accepted. These results indicate that the consumer perceptions created in the minds of consumers do not affect brand trust. Thus, this research is not in line with the research of Chinomona (2016) and Song, Wang, & Han (2019).

3.4.3. Hypothesis 3: Brand positioning has a significant positive effect on brand trust

The results in Table 4 show t-statistics on brand positioning with brand trust of 2.037. It meant that brand positioning influences the brand trust variable. Thus, the hypothesis can be accepted. This result shows that the brand positioning of consumers affects consumer trust in brands. These results are in line with Coffie's research (2020).

3.4.4. Hypothesis 4: Customer satisfaction has a significant positive effect on brand trust

The results in Table 4 show t-statistics on customer satisfaction with a brand trust of 4.192. It indicated that customer satisfaction influences brand trust, and this hypothesis could be accepted. These results indicate that customer satisfaction with the size of the product or service on a brand affects consumer confidence in the brand. The results of this study are consistent with the research of (Adinda et al., 2018).

3.4.5. Hypothesis 5: Brand awareness has a significant positive effect on brand trust

The results in Table 4 show t-statistics on brand awareness with a brand trust of 2.560. Therefore, the brand awareness variable influences brand trust. The results indicate that this hypothesis could be accepted. This result shows that the perspective of consumers to remember a brand affects consumer confidence in the brand. These results are in line with Ledikwe's reserach (2020)

3.4.6. Hypothesis 6: Brand trust has a significant positive effect on brand loyalty

The results in Table 4 show t-statistics on brand trust with brand loyalty of 9.967. Therefore, brand trust influences brand trust. The results of this test indicate that this hypothesis could be accepted. These results show that user trust in a brand affects consumer loyalty. These results are in line with the research of Chinomona (2016), Marliawati & Cahyaningdyah (2020), and (Cuong, 2020).

3.5. R Square Adjusted test results

This test was used to determine the relationship between variables.

Table 6. R Square Adjusted test results

Variable	R Square Adjusted	Presentation (%)
Brand Loyalty	0.263	26,3
Brand Trust	0.469	46,9

Source: Primary data processed (2022)

The results above indicated that brand trust shows an influence value of 0.469 (46.9%) while brand loyalty shows an influence value of 0.263 (26.3%). It can be concluded that several other variables were not in the research framework that could influence brand trust and brand loyalty.

3.6. Quality Index Result

Validation of the research model by testing the quality index was carried out with the GoF testing. If the GoF value shows >0.1 then the value is low. If the GoF value shows a value of > 0.25 then the number is at the middle level. The average AVE was obtained, with the following description:

$$\overline{Com} = \frac{0.665 + 0.640 + 0.660 + 0.741 + 0.588 + 0.781 + 0.763}{7} = 0.69114$$

To obtain the Average of R-Square value by obtaining the average R-Square value with the following description: R²

$$\overline{R^2} = \frac{0.263 + 0.469}{2} = 0.366$$

Then the GoF Index equation was as follows:

$$GoF = \sqrt{Com \times R^2} = \sqrt{0.69114 \times 0.366} = \sqrt{0.2529} = 0.502$$

The above figures show that the GoF Index value is 0.502, meaning that the model used in the test is considered good because it passes the GoF value limit based on the criteria.

4. CONCLUSION

This showed was conducted to investigate what factors influence brand loyalty of E-Commerce users mediated by brand trust. The factors were brand experience, brand image, brand positioning, customer satisfaction, and brand awareness.

T his study showed that brand experience and brand image did not have a significant influence on brand trust. This means that the experience of E-Commerce users of a brand did not affect user trust in the brand. User perceptions of the E-Commerce brand did not affect users in trusting the brand.

In brand positioning variables, customer satisfaction and brand awareness had a significant influence on brand trust. The various ways E-Commerce companies had done

to influence user trust in the company's brand. User satisfaction with the E-Commerce brand affected their trust in the brand. The familiarity of users with E-Commerce brands affected user trust in a brand. The results of this study are in line with previous research. The brand trust variable had a significant influence on brand loyalty.

As a result, the following are the recommendations the researchers would like to convey for further research. It is expected that future researchers conduct research by getting a comprehensive sample of users outside Batam City. Also, it is recommended to add several variables that support brand loyalty.

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