Analysis of Brand Experience on Brand Loyalty with Brand Trust as a Mediation Variable

Nadya Desna Maura[1], Januar Wibowo[2],
Candraningrat[3], Achmad Yanu Alif Fianto [4]

Fakultas Ekonomi dan Bisnis, Universitas Dinamika, Indonesia[1,2,3,4]
E-mail: 18430100037@dinamika.ac.id

Abstract

Technological developments have had a great influence on competition in the industrial world, especially in the beauty industry. To win the competition, it is important for a company to build customer loyalty. Several studies that have been conducted have found a significant relationship between brand experience on brand loyalty. Apart from the many studies examining the effect of brand experience on brand loyalty, inconsistency of results is still found where there is a group of researchers who find that there is a significant effect between brand experience on brand loyalty, and there are other groups of researchers who find no significant effect between brand experience on brand loyalty. To fill this gap, this study will use the brand trust variable as a mediating variable. The purpose of this study was to further investigate the relationship between brand experience on brand loyalty with the brand trust variable as a mediating variable. This study uses a quantitative approach using the structural equation modeling (SEM) method to analyze the data. The object of this research is the grace and glow brand using 160 respondents located in Surabaya. The results showed that brand experience had a significant effect on brand loyalty. In addition, this study also found the effect of brand experience on brand loyalty, with brand trust as a mediating variable that has a partial mediating role.

Keywords: *Brand experience; Brand Loyalty; Brand Trust.*

INTRODUCTION

At this time, internet users continue to grow in Indonesia. Based on research conducted by wearesocial.com, by 2022, the number of internet users in Indonesia is recorded to reach 205.7 million users. Growing by 2.1 million users or about 1% compared to 2021. The increasing number of internet users in Indonesia makes information easier to spread, making it easier for business actors to offer their products and triggering the growth of various industries, both large and small, including the beauty sector. Reporting from fortuneidn.com, the development of the internet has made the marketing of beauty products to consumers easier with the existence of e-commerce. The ease of marketing channels and the large market potential in the beauty industry have triggered the

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birth of many new brands and made competition in the beauty industry even tighter. To survive and continue to grow in the midst of today's intense competition, consumer loyalty to brands is the main key (Pratiwi, R. S., .dkk., 2021). Efforts to maintain brand loyalty are a strategic effort that is more effective than attracting new customers. Brand loyalty is the behavior of consumers who consistently make purchases of the same brand on certain products or services (Mothersbough., 2019).

Grace and glow is a new brand of beauty products that was established at the end of 2021. Grace and glow currently have several product variants, including Body wash, Body serum, Shampoo, Hair Mist, and Hair mask. By focusing on developing online sales, Grace and Glow have so far achieved a turnover of 150 million/month. Meanwhile, Grace and Glow have several competitors, including Scarlett Whitening and Gilmore. However, when compared to its competitors, grace, and glow is still a new brand that may not be well known to many people. Therefore, in order to win the competition with competitors, apart from continuing to advertise aggressively, Grace and Glow must also start building brand loyalty among its consumers.

Several studies have found that there is a significant relationship between brand experience on brand loyalty. Apart from the many studies that examine the effect of brand experience on brand loyalty, inconsistency of results is still found where there is a group of researchers who find that there is a significant influence between brand experience on brand loyalty (Megasari, G. S et al., 2015; Japutra, A. et al., 2021; Pratiwi, RS et al., 2021; Arham, QL, & Dwita, V. 2021) and there are other groups of researchers who found no significant effect between brand experience on brand loyalty. This study will use the brand trust variable as a mediating variable to fill this gap from previous research. Brand trust is defined as the desire of consumers to trust the ability of a brand to carry out its functions (Megasari, G. S., .dkk., 2015). However, a consumer's trust that is formed from the experience of using and good innovation of a brand can make that person loyal. Therefore, the brand trust variable has an important role in better understanding the relationship between the Influence of brand experience on brand loyalty.

Brand experience on brand loyalty

Brand experience is often seen as an effect and reaction (sensory, cognitive and behavioral) from consumers that arises due to stimuli formed through brand identity, brand design, packaging, communication, and the environment (Reza, S. et al., 2021; Brakus et al., 2009). Several previous studies (Japutra. et al., 2021; Pratiwi. Et al., 2021; Ertemel. Et al., 2021) have identified that brand experience has a positive influence on brand loyalty. So the higher or better the level of the brand experience felt by a consumer will increase the level of consumer brand loyalty. So to build good brand loyalty, a company or brand owner must pay attention to the level of brand experience from its consumers. Brand Experience has a positive and significant effect on consumer loyalty (Brakus et al., 2009; Japutra, A. et al., 2021). Research from (Pratiwi RS et al., 2021; Ertel et al ., 2021) also shows that brand experience affects brand loyalty. Thus the following hypothesis is proposed.

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H1: Brand Experience affects brand loyalty

Brand experience on brand trust

Brand trust is defined as the consumer's desire to rely on the brand's ability to carry out its functions (Megasari, G. S. et al., 2015). Brand trust is one of the variables that have an important role in influencing brand loyalty. This is evidenced by several previous studies that show the Influence of brand trust on brand loyalty (Megasari, G. S. et al., 2015; Pratiwi, R. S. et al., 2021; Putra, T. W., & Keni, K., 2020). That is, the higher the level of brand trust felt by a consumer, the higher the level of brand loyalty felt by the consumer. However, the product's ability to meet the expectations of its consumers is an important thing that must be considered in building brand loyalty. Research from Pratiwi et al. (2021) states that brand experience becomes a memory that affects brand trust through the products and services offered. Then (Megasari's research, GS et al., 2015; Yanu and Candraningrat, 2018) said that a good brand experience would increase brand trust from consumers. Thus the following hypothesis is proposed.

H2: Brand experience affects brand trust

Brand trust in brand loyalty

According to research by (Megasari GS et al., 2015; Alif Fianto A. Y. et al. 2014), brand trust has a positive effect on brand loyalty. That is, the higher the level of brand trust felt by a consumer, the higher the level of brand loyalty felt by the consumer. Brand loyalty is one of the keys for companies to win the competition in an industry (Huang, C. C., & Chen, S. E. 2022). Brand loyalty is defined as a commitment held by consumers to consistently repurchase products in the future (Panigrahi et al., 2021). That is, when a consumer is loyal to a brand, they will not easily switch to another product. Customer loyalty also has an impact on the company's image when loyal customers recommend the products they use to other consumers. However, it is important for a company or brand to focus on building and gaining loyalty from its customers. The research on brand trust has a positive effect on brand loyalty is also supported by research (Yanu, A.. 2018; Abitha, R. et al., 2020; Muttaqiin, N. & Amri Rasyid, R. 2021; Candraningrat, C., 2018) which also reveals that brand trust has a positive influence on brands loyalty. Thus the following hypothesis is proposed.

H3: Brand trust affects brand loyalty.

Brand experience on brand loyalty is mediated by brand trust

Based on research conducted by Huang, CC (2017), brand experience affects brand loyalty. The good brand experience felt by customers can increase the level of brand trust felt by customers (Pratiwi, RS et al., 2021). However, the high level of brand trust felt by a customer can increase the level of customer loyalty (Huang, CC, 2017). Thus the following hypothesis is proposed.

H4: Brand experience affects brand loyalty through brand trust.

METHOD

In this study, data were collected by distributing questionnaires to 160 respondents. Respondents were selected with the criteria that they had purchased grace & glow two times and were more than 18 years old. In this study, consumer perceptions were measured using the Linkert scale (1-5). Data collection is done

by collecting primary data and secondary data. In this study, the brand experience was measured by the item "brands are easy to remember, products are easy to find, products are reliable, and products are satisfying," which were adopted from research (Brakus et al., 2009). As for measuring brand trust, four statement items were used that were taken from research (Gözükara, olakoğlu, N. 2016), namely, "I can rely on the brand to solve problems, the band tries hard to satisfy me, the brand never disappoints me. I feel confident when I use brand ." In measuring brand loyalty, there are four statement items taken from research (Panigrahi et al., 2021: Liu, KN, & Hu, C., 2021), which consist of "brand is the first choice, recommend to others, say positive and repurchase. The data that has been obtained will be processed using the partial least squares structural equation modeling (PLS-SEM) method. Referring to the opinion of Hair et al. (2014) in this study, the research instrument is said to be valid if it has a loading factor value greater than 0.7 and is declared reliable if it has composite reliability and Cronbach alpha greater than 0.7 (Hair et al.., 2014). The statistical test used is the t-test with a critical number of t-statistics > t-table (1.96) with a significance level of 0.05 (5%) so that the proposed hypothesis is accepted. The significance of the outer model indicates that the indicator can be used as an instrument for measuring the latent variable, whereas if the test results on the inner model are significant, this indicates that there is a significant influence between one variable and another. Direct effect hypothesis testing is done by examining the coefficients (Standardized) and the significance of each variable on the direct effect. Meanwhile, the indirect effect is tested by examining the mediation model (mediation variable).
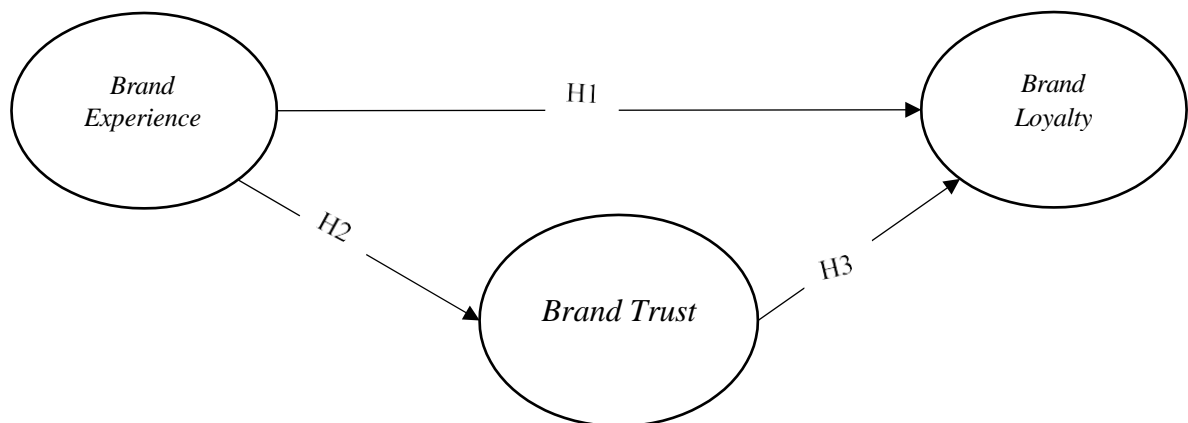

Figure 1. Conceptual Framework

RESULTS AND DISCUSSION

Statistical tests were used to measure the validity and reliability of this study. In this study, brand experience has an average variance extracted (AVE) value of 0.771. Furthermore, brand innovation has an AVE value of 0.720, brand

trust has an AVE value of 0.756, and brand loyalty has a value of 0.747. The AVE value for each variable shows a value greater than 0.7, so each variable in this study is said to be valid.

Tabel 1: Composite Reliability, Cronbach Alpha, AVE

Variable	Composite Reliability	Cronbach Alpha	AVE
Brand Experience	0,931	0,903	0,771
Brand Trust	0,925	0,893	0,756
Brand Loyalty	0,922	0,887	0,747

Source: processed data, 2022

Composite reliability in this study, each variable has a value greater than 0.7 (0.931, 0.911, 0.925, and 0.922), so the variables in this study are said to be reliable. The R-square value of brand loyalty in this research model has a value of 0.41. The Goodness of Fit (GoF) in this study is calculated by the equation $Q^2 = 1 - [(1 - R1^2)(1 - R2^2)] = 1 - [(1 - 0.549)(1 - 0.286)] = 0.677$. The value of 0.677 in this study indicates that the model in this study is categorized as strong.
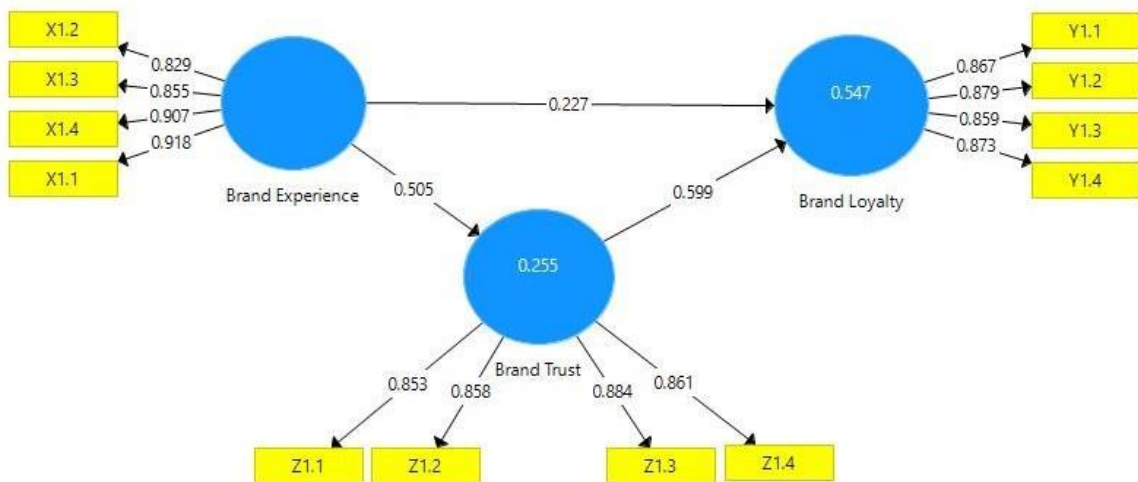

Table 2: Hypothesis Testing Results

Hypoth esis	Relationship Between Variables	Path Coefficient	t-statistics	p-values	Result	
H1	Brand Experience → Brand loyalty	0.227	2.502	0.013	Significant	Accepted
H2	Brand experience → Brand trust	0.505	3.952	0.000	Significant	Accepted

| H3 | Brand trust → Brand loyalty | 0.599 | 7.574 | 0.000 | Significant | Accepted |
| H4 | Brand innovation → Brand Trust → Brand loyalty | 0.301 | 3.140 | 0.002 | Significant | Accepted (partial) |

Source: Data processed, 2021

Based on the analysis in table 2, it can be seen that brand experience affects brand loyalty with the t-statistics greater than the t-table ($2.502 > 1.96$). From these results, it is known that brand experience has a significant effect on brand loyalty, so H1 is accepted. The results showed that brand experience had a positive and significant effect on brand loyalty. This can be interpreted that brand experience has a unidirectional effect on brand loyalty, so increasing the level of brand experience can increase the level of brand loyalty. The level of brand experience in this study was measured by several indicators referring to previous research, namely the grace & glow brand is easy to remember, grace & glow products are easy to find, grace & glow products are reliable, and grace & glow products are very satisfying (Brakus et al. al., 2009). Furthermore, the results of the frequency distribution analysis show that the grace & glow brand is easy to remember as the most important indicator of the brand experience variable. This also indicates that grace & glow customer loyalty is formed because the grace & glow brand is easy to remember, making it a priority when customers want to buy beauty products. Furthermore, consumer satisfaction with grace & glow products is the second important indicator of the brand experience variable. This indicates that consumer satisfaction with grace & glow products is the reason for customers to be loyal to using grace & glow products. Furthermore, grace & glow products are reliable for skin care, and grace & glow products are easy to find, being the third and fourth most important indicators for the band experience variable.

Brand experience is often seen as an effect and reaction (sensory, cognitive and behavioral) from consumers that arises due to stimuli formed through brand identity, brand design, packaging, communication, and the environment (Reza, S. et al., 2021; Brakus et al., 2009). Based on this definition, brand experience is one of the influential variables in building one's brand loyalty. The findings of this study support previous research groups (Megasari, G. S., et al., 2015; Ong, C. H., Lee, H. W., & Ramayah, T.; Japutra, A. et al., 2021; Pratiwi, R. S., et al. al., 2021; Ertemel, A. V., et al., 2021) who argue that brand experience has a positive and significant influence on brand loyalty. As for improving one's brand experience, grace & glow can create interesting review ad content to be advertised through social media. Attractive review advertisements can make consumers remember the grace & glow brand more and strengthen grace & glow's positioning as a beauty product that can be relied on in skin care.

The relation of brand experience to brand trust in this study has a t-statistic value greater than the t-table ($3.952 > 1.96$). From these results, it is known that brand experience has a significant effect on brand trust, so H2 is

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accepted. These results support several previous studies (Megasari, G. S., et al., 2015; Pratiwi, R. S., et al., 2021). The results of the analysis of the direct Influence of brand experience on brand trust indicate that brand experience has a positive and significant effect on brand trust. So the third hypothesis, namely that brand experience has a positive effect on brand trust, is accepted. That is, when consumers have a high level of brand experience for Grace & Glow products, it will increase the level of brand trust they feel from the product. These results support several previous studies, including (Megasari, G. S. et al. (2015) and Pratiwi, R. S. et al. 2021). The results of the frequency distribution of the brand trust variable are known that customers who are loyal to grace & glow products feel confident when using the product. In this study, the brand experience provided by grace & glow products can increase brand trust in these products. Grace & glow brands that are easy to remember, satisfying, reliable, and easy to find can actually increase brand trust for these products. Customers feel that grace & glow products can solve problems, never disappoint, satisfy, and can make them feel confident. Therefore, the grace & glow brand must be able to maintain the quality of its products so that good customer ratings can be maintained. As for expanding marketing, the grace & glow brand can make positive customer comments as advertising content in order to increase the trust of potential buyers.

The result of brand trust on brand loyalty in this study has a t-statistic value greater than the t-table (6.984 > 1.96). From these results, it is known that brand trust has a significant effect on brand loyalty, so H5 is accepted. Brand trust is defined as the consumer's desire to rely on the brand's ability to carry out its functions (Megasari, G. S., et al., 2015). That is, consumer confidence in a brand is based on the ability of the product of the brand to carry out its functions. The results of this study indicate that brand trust has a significant positive effect on brand loyalty. This means that every increase in the value of the brand trust variable will increase the value of the brand loyalty variable. Thus, the higher the brand trust felt by a customer, it will have an effect on increasing customer loyalty to the grace & glow brand. The results of the descriptive analysis show that the indicator "I feel confident when using the Grace & Glow brand" is the indicator with the highest average value on the brand trust variable. These results indicate that customers who are loyal to the Grace & Glow brand feel confident because they have used products from that brand. The results of the descriptive analysis of the brand loyalty variable show that the indicator "I have a positive opinion about the grace & glow brand" has the highest average value. These results indicate that customer loyalty to the grace & glow brand is reflected in the positive opinions they give to the product. In addition, customer loyalty for grace & glow products is also reflected in their intention to recommend and repurchase grace & glow products. The results of the study are in line with the research of Khamwon, A., & Sorataworn, W. (2021), which found that brand trust had a significant positive effect on brand loyalty. These results indicate that customer trust in the brand can have an effect on increasing customer loyalty to the Grace &

Glow brand. Therefore, it is important for the Grace & Glow brand to increase brand trust so as to increase customer loyalty.

The relation of brand experience to brand loyalty through brand trust as a mediating variable has a higher t-statistic value on the t-table (3.140 > 1.96). From these results, it is known that brand trust can partially mediate the relationship between the Influence of the brand experience variable on brand loyalty and has a significant influence, so H4 is accepted. The results showed that brand experience had a significant effect on brand loyalty through brand trust. The impact of brand trust mediation is known to be partial mediation. This means that every increase in the value of the brand trust variable will mediate the brand experience variable in increasing the brand loyalty variable. The total effect value of the Influence of brand experience on brand loyalty mediated by the brand trust variable has a greater value than the direct effect of the Influence of the brand experience variable on brand loyalty. This shows the importance of the Influence of the brand trust variable as a mediating variable. So, for greater effect, the grace & glow brand should not only pay attention to the level of brand experience but also pay attention to the extent of brand trust perceived by grace & glow customers. This research is in line with research from Huang, C. C., & Chen, S. E. (2022). The mediating role of the brand trust variable in this study can increase the effect of the Influence of brand experience on brand loyalty. As in this study, the good experience gained by grace & glow brand customers can increase their trust in the brand it makes them more loyal.

IMPLICATION

The results show that brand experience affects the level of brand loyalty for grace & glow brand users either directly or indirectly through brand trust mediation. The results obtained indicate that brand experience has an important impact on increasing customer loyalty to grace & glow products. The results of the research in the form of good brand experience provided by grace & glow products are reflected by customer opinions who consider the grace & glow brand to be easy to remember, reliable, very satisfying, and easy to find. The good brand experience provided by the grace & glow brand can increase customer trust in the brand. The results of the study also show the mediating role of part of the brand trust variable on the Influence of the brand experience variable on brand loyalty. In addition to acting as a mediating variable, brand trust also plays a role in increasing the Influence of brand experience on brand loyalty. This is evidenced by the total value obtained from the Influence of brand experience on brand loyalty through brand trust, which is greater than the direct Influence of the brand experience variable on brand loyalty.

The results of this study indicate that brand experience has an effect on brand loyalty of grace & glow product users. This is an important point for grace & glow to continue to improve the brand experience in order to increase brand loyalty. The grace & glow brand, which is easy to remember as the item with the highest frequency value in the brand experience variable, becomes an important point in building customer brand experience. Grace & glow can increase the intensity of advertising on social media as an effort so that the grace & glow brand can be remembered and known by many parties. Besides

being able to make brands remember, online advertising through social media is also expected to make it easier for loyal customers to pass on information related to grace & glow products. This is inseparable from the results of research showing that customer loyalty, grace & glow is shown by giving positive opinions and will recommend it to others. So that the grace & glow brand will also be helped by loyal customers in promoting their products

LIMITATION

This research cannot be separated from the limitations that have caused the imperfect results of this study. The limitation of this research is that it is limited to the Grace & Glow brand, so the research results may be different if the research is applied to cosmetic brands or other products. As for determining the population of this study, it is limited to Grace & Glow customers who are in Surabaya. So that the research results may be different when applied to populations living outside the Surabaya area. Furthermore, the number of respondents in this study is still limited to 160 respondents. Better results will be obtained if the number of respondents can be increased.

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