Brand Communications Effect, Brand Images, and Brand Trust Over Loyalty Brand Building at PT Sanko Material Indonesia

Reni Afriani1,*, Rhian Indradewa1, Tantri Yanuar R Syah1
1Department of Management, Faculty Economic and Business, Esa Unggul University, Jl. Arjuna Utara No. 9, Jakarta, 11510, Indonesia

This study aimed to analyze the effect of brand communication on brand image, brand communication, and brand trust over loyalty brand building at PT. Sanko Material Indonesia. In this study, we use questionaries to assess loyalty brand building to all distributors and other business companies near 250 companies. Here, we take 160 respondents who were considered to have adequately represented a population studied brand loyalty. The sampling technique in this study, we use Convenience Sampling method which is a sampling method based on the convenience factor where the respondents discuss and meet at survey location. We use analytical model e.g. Structural Equation Modelling with the AMOS 21 Program to obtain the result. The results shows, a Brand communication had a positive and significant effect on brand image. The implication of loyalty brand building is a better than brand communication carried out by PT. Sanko Material Indonesia. Brand communication have a positive and significant effect on brand trust. It means that the better brand communication is increased consumer confidence. Brand image also has positive and significant effect on brand trust as well as a positive and significant influence of brand trust on brand loyalty. This means that the better brand image with higher brand trust and the higher consumer confidence in products of PT. Sanko Material Indonesia.

Keywords: Brand Communication, Brand Image, Brand Trust, and Brand Loyalty

1. INTRODUCTION
The perception about a product is originally from and made in China is that these products are able to penetrate the market in a large amount. Moreover, these products are able to offer lower price than similar products from Europe or United States. However, most Indonesians perceive the products from China as low quality. In fact, the quality is highly affected by the competency of a company [1]. Furthermore, many cases support the negative argument about products from China. The stigma on these products is one of the obstacles when vendors want to expand their market. On the other hand, in consumers’ point of view, products that are originally from and made in Japan, Korea, and Europe have good quality, up-to-date, and more sophisticated than products from China. In order to build the trust, the consumers believe that it is important to digest and judge a product information. A key success to strive in the dynamic competitive situation is to win the customer’s trust and loyalty [2]. Brand trust is important to maintain the long term relationship between the consumer and the brand. Also, it helps to maintain the company’s excellence regarding the competition [3]. The final goal of the marketing is to build the strong relationship between the consumers and the brand. The foundation of this relationship is trust. Competencies and capabilities are important to describe customers and to win the competition [4]. The knowledge about customers is important to win the competition [5]. Brand communication is the key factor in managing the relationship between the brand and the customers, employees, suppliers, stakeholders, government, society, and media. Brand communication is designed in relation to improve the brand loyalty so the consumers get more familiar with the brand in question. It is expected that this

*Email Address: reniafriani81@gmail.com
awareness will be strengthen at a long term relationship between the brand and the consumers. The several factors that affect the brand are brand communication, brand loyalty, and brand image [6]. The brand itself will affect the decision before purchasing an item with a question, why do the consumers is loyal to a particular brand from time to time? What factors that affect this? Based on the several problems in the previous studies, we discussed in the current study are formulated in these questions:

a) To what extent brand communication affects brand image?
b) To what extent brand communication and brand image affect brand trust?
c) To what extent brand trust affect brand loyalty?

Thus, Based on the problems background and the current study, the purposes of the current study are formulated as follows:

a) Investigating the effect of brand communication on brand trust in business to business
b) Investigating the effect of brand communication and brand image on brand trust in business to business
c) Investigating the effect of brand trust on brand loyalty in business to business

2. METHODOLOGY

2.1 Brand Communication

Communication is defined as social interactions that involve two people at minimum, in which one of them conveys specific symbols to the other [7]. The purpose of brand communication is to attract the audience to a brand, in which its effect can be optimized regarding the awareness and recognition. Accordingly, it is expected that customers will purchase a brand that stick in their mind, so the producer of the brand is able to satisfy the customers optimally. The underlines brand communication can be managed in one way (indirect communication) and one-to-one communication or direct communication. Communication is defined as human activities in which they connect each other and build a relation. Function of communication is to create and manage the function, and it plays important role in create brand relationship. Brand communication is able to affect consumers to choose a brand [8]. Therefore, it will affect on the increase of brand awareness and brand recognition, so the customers will prefer to purchase a brand that never fails to satisfy them.

2.2 Brand Image

The underlines that brand image is viewed by consumer perception and belief that mirror association within consumers’ memory. Good brand image to certain extent shape how we decide to buy a product or service of a particular brand. Brand image has two components, namely corporate image and product image [9]. Corporate image is defined as to what extent the consumers perceive the corporation that produce specific product or service. Brand image or product image is defined as to what extent the consumers perceive a product.

2.3 Brand Trust

Trust is defined as to what extent customers believe that a brand of a product will fulfill their trust [10]. Trusting a brand plays important role in encouraging consumer loyalty on a specific brand. Consumer’s trust on a brand can be obtained when a marketer can create and maintain positive emotional relationship with the consumers [11]. Trust is able to reduce consumer uncertainty on an environment where they might become susceptible, because they know the brand is reliable [12].

2.4 Brand Loyalty

Brand loyalty as to what extent a customer shows positive attitude to a brand. Brand loyalty is important to increase the corporate’s competitiveness and profitability [13]. Brand loyalty behavior is defined as a commitment to make the second purchase or more and it can be viewed as a consistent support to the favored product or service that will be continued in the future, even though a situational effect and the marketer’s effort are potential to shift the behavior [14].

2.5 Hypotheses

Based on the detailed description of the literature review above, the current study proposes several hypotheses as follows:

2.5.1 The Brand Communication Effect on Brand Image

Brand communication plays important role in increasing brand image so when the brand communication is evolved, the brand image also shoots up as expected. The studies conducted found that brand communication has significant and positive effect on brand image [15]. Furthermore, the study conducted found out that brand communication has significant effect on the brand image component, namely quality perception [16]. Brand communication is discovered consistently to play important role to bring out the positive brand behavior [17]. Based on the detailed explanation of the previous studies, the current study proposes hypothesis 1 as follows:

(H1): Brand communication has significant and positive effect on brand image.

2.5.2 The Brand Communication Effect on Brand Trust

States that brand behavior can be defined as to what extent the consumers stick to a brand, and then it leads to brand trust and brand loyalty. This way of communication has a main purpose, it is to increase the brand awareness, brand behavior as manifested in brand satisfaction and brand trust, and to affect the purchasing behavior as manifested consumers’ choice of a brand [18]. The study conducted point out that brand communication has significant and positive effect on brand trust. In addition,
highlight that brand communication, either the one way or one-on-one communication has significant effect on brand trust. Based on the detail explanation of the previous studies, the current study proposes hypothesis 2 as follows:

\[(H2): \text{Brand communication has significant and positive effect on brand trust.}\]

2.5.3 The Brand Image Effect on Brand Trust
The studies conducted are consistently found that brand image has significant effect on brand trust. The stronger the brand image, the more the consumers have a trust on a brand. Based on the detail explanation of the previous studies, the current study proposes hypothesis 3 as follows:

\[(H3): \text{Brand image has significant and positive effect on brand trust.}\]

2.5.4 The Brand Trust Effect on Brand Loyalty
The previous study has found the significant and positive effect of brand trust on brand loyalty [19]. Accordingly, the brand trust is expected to generate brand loyalty of a company. In the other study conducted, it is found that brand trust has significant and positive effect on brand loyalty [20]. As a result, a brand that can be trusted is the one that is able to maintain its value to customers consistently through the excellent work performance. Hence, the value is able to guarantee the customers’ loyalty on a brand. Based on the detailed explanation on the previous studies, the current study proposes the hypothesis 4 as follows:

\[(H4): \text{Brand trust has significant and positive effect on brand loyalty.}\]

Based four hypotheses, we design thopology frame work in this study (see Figure 1).

![Theoretical Framework](image)

The design of the current study is an explanatory research. By applying this type of research, the current study will verify the causal relationship between brand communication as the independent variable, brand image and brand trust as the intervening variable, and brand loyalty as the dependent variable. The current study also applies correlational research, which examines whether the two variables are correlated to each other or not, and to investigate the strength and the purpose of the correlation. The current study applies structural equation model (SEM) analysis method using AMOS 21 to investigate the significant rate and the correlation between the variables.

The object of the current study is PT. Sanko Material Indonesia. PT Sanko Material Indonesia is a company that runs industrial tapes business and it holds the license of Deer Brand in Indonesia. The products sold by PT. Sanko Material Indonesia are from China. PT Sanko Material Indonesia is a converting company that has become an ISO-certified business, ISO 9001:2015, specifically for Produk protection tape, electrical tape, and industrial tape. Furthermore, the company’s miscellaneous industries cover the motor vehicle coated cable industry, heavy equipment electric system coated cable industry, air conditioning industry, aluminum producing in bulk, plastic seal, building and construction tape, anti rust, utility cable industry, electronics industry, electrical power equipment industry, furniture, floor sill plate, press machine for stainless steel kitchen sink, stainless steel producing in bulk. PT Sanko Material Indonesia was chosen as the object of the current study, because the products by PT Sanko Material Indonesia have specialties compared to other similar products from China. The products by this company have won customers’ trust, which is known as a high quality brand.

The data collection was conducted by distributing the questionnaire to 160 consumers of the products by PT. Sanko Material Indonesia. The sample exceeded the required minimum sample at 130 respondents, which is counted based on 5 multiplied by the number of indicators. Variables studied in the current study consist of one independent variable that belongs to brand communication element; two mediating variables, i.e. brand image and brand trust; one dependent variable, namely brand loyalty. The measurement of these variables was adapted from the questionnaire instrument, which applies Likert scale in five ordered level response from 1 to 5 (1 is “totally disagree” and 5 is “totally agree”).

3. RESULT AND DISCUSSION
The results of the study show the effect of brand communication on brand image, the effect of brand communication and brand image on brand trust, and to show the effect of brand trust on brand loyalty of the consumers of PT. Sanko Material Indonesia.

3.1 Normality and Outlier Tests
In order to test the normal distribution of the data for the analysis, the researcher applied skewness value statistical test provided in AMOS 21.0 software program. Assumptions for normality of data is fulfilled when the critical value (c.r.) is less than ± 2.58. Normality test is managed by applying assessment of normality.
Based on univariate test, the value in c.r. column (skewness) is less than ±2.58. Therefore, it is proved that the data is normally distributed. Outlier test is a test to confirm that the data being analyzed have similar range. The current study found that the Chi Square values Table with DF 13 and α =0.001 is 34.5. Based on the calculation, none of the observation has p-value < 0.001. In addition, the Mahalanobis d-squared value reaches 33.730, less than (<) 34.5 (X²table). It indicates that there is no outlier.

3.2 Validity and Reliability Tests
AMOS software program version 21.0 also provides the user to test the validity with loading standard (λ) more than (>) 0.5 and asserted as reliable when the Construct Reliability is more than (>) 0.7 (see Table I).

Table I. The Result of Validity Test of the Study Variable Items

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>Loading (λ)</th>
<th>Error Variance</th>
<th>GFI</th>
<th>AGFI</th>
<th>CFI</th>
<th>Construct Reliability</th>
<th>Cutoff Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Communication</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand image</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand behavior</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand loyalty</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3.3 Goodness-of-Fit Test
In the current study, the goodness-of-fit test is processed by using AMOS software version 21.0. The table II below shows the result of the goodness-of-fit index after the test was conducted:

Table II. Goodness-of-Fit Index

<table>
<thead>
<tr>
<th>Goodness-of-Fit Index</th>
<th>Result</th>
<th>Cut Off Value</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi Square</td>
<td>67.537</td>
<td>70.9</td>
<td>Good</td>
</tr>
<tr>
<td>Probability</td>
<td>0.086</td>
<td>≥ 0.05</td>
<td>Good</td>
</tr>
<tr>
<td>CMIN/DF</td>
<td>1.274</td>
<td>≤ 2.00</td>
<td>Good</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.042</td>
<td>≤ 0.08</td>
<td>Good</td>
</tr>
<tr>
<td>AGFI</td>
<td>0.939</td>
<td>≥ 0.9</td>
<td>Good</td>
</tr>
<tr>
<td>GFI</td>
<td>0.900</td>
<td>≥ 0.9</td>
<td>Good</td>
</tr>
<tr>
<td>CFI</td>
<td>0.986</td>
<td>≥ 0.9</td>
<td>Good</td>
</tr>
</tbody>
</table>

The result shows that Chi Square (X²) value with the significance rate at 0.086 and p value > 0.05. The Ho highlights there is no difference between the estimated covariance matrix sample and estimated covariance matrix population that can be accepted. In other words, the estimated covariance matrix sample and the estimated covariance matrix population are the same.

Therefore the model is considered as good. The Minimum Sample Discrepancy Function (CMIN/DF) is the adjusted parsimonious index that measure the goodness-of-fit model and the total of estimated coefficients. The calculation is expected to reach the adjustment rate. The result of CMIN/DF is 1.274, which is less than (<) 2 (value that is recommended by CMIN/DF), so it shows good-fit model. The Root Mean Square Error of Approximation (RMSEA) is the index applied to compensate Chi Square Statistics for huge sample. The RMSEA value indicates goodness-of-fit when the model is estimated within the population. The recommended acceptance value is less than (<) 0.08. The test result shows that the value is 0.042, which indicates the good-fit model.

The analysis of goodness-of-fit (GFI) depicts the adjustment rate of the model. The recommended acceptance rate by GFI is more than (> 0.90). The result shows that the result shows the GFI value is 0.939, it is more than (> 0.9). Therefore, it indicates the good-fit model. Adjusted Goodness of fit Index (AGFI) is a development of GFI index. It is the index that has been adjusted with the degree of freedom ratio model, which is suggested by the degree of freedom from the null model. The result of the current study shows that the AGFI value is 0.900, it is more than (≥) 0.9 the recommended AGFI value, so it shows good-fit model. Tucker Lewis Index (TLI) is the incremental fit index alternative. It compares the tested model with the baseline. The recommended adjusted value is more than (> 0.9).

The result of the current study shows that TLI value equals to 0.980, so it shows good-fit criteria. Comparative Fit Index (CFI) is the adjusted incremental index. It compares the tested model with the null model. The recommended CFI value is more than (> 0.9). The value of the test result is 0.986, which shows good-fit model. According to the calculation of the Goodness-of-Fit Index above, most parameters meet the expected requirement except AGFI. Therefore, the current study design meets the adjusted model.

3.4 Hypothesis Test
The results shown by the AMOS software describe the correlation links between the variables, brand communication and brand image on the brand trust and brand loyalty (see Figure 2 and Table III).
3.4.1 First Hypothesis Test
The first hypothesis test states that (H1): Brand communication has significant and positive effect on brand image. The table above shows that the brand communication variable is proven to have significant and positive effect on the brand image, which is shown by the estimated coefficient at 0.393 with the probability value at \( p = 0.000 < 0.05 \).

3.4.2 Second Hypothesis Test
The second hypothesis test states that (H2): Brand communication has significant and positive effect on brand trust. The table above shows that the brand communication variable is proven to have significant and positive effect on the brand trust, which is shown by the estimated coefficient at 0.210 with the probability value at \( p = 0.029 < 0.05 \).

3.4.3 Third Hypothesis Test
The third hypothesis test states that (H3): Brand image has significant and positive effect on brand trust. The table above shows that the brand image variable is proven to have significant and positive effect on the brand trust, which is shown by the estimated coefficient at 0.299 with the probability value at \( p = 0.002 < 0.05 \).

3.4.4 Fourth Hypothesis Test
The fourth hypothesis test states that (H4): Brand trust has significant and positive effect on brand loyalty. The table above shows that the brand loyalty variable is proven to have significant effect on the brand loyalty, which is shown by the estimated coefficient at 0.207 with the probability value at \( p = 0.035 < 0.05 \) (see Table IV).

Table IV. The Indirect Effect (Mediating Effect)

<table>
<thead>
<tr>
<th>The Pattern of The Correlation</th>
<th>The Weight of Indirect Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Communication ( \rightarrow ) Brand Image ( \rightarrow ) Brand Trust</td>
<td>0.118</td>
</tr>
<tr>
<td>Brand Trust ( \rightarrow ) Brand Image</td>
<td>0.068</td>
</tr>
<tr>
<td>Brand Image ( \rightarrow ) Brand Trust</td>
<td>0.062</td>
</tr>
</tbody>
</table>

Table 4 shows that the brand communication affects the brand trust indirectly through the brand image as the mediating variable, with the weight of the indirect effect at 0.118 or 11.8%. Therefore, the better the brand communication managed by PT. Sanko Material Indonesia, the more the brand image will increase. Accordingly, it is expected to increase the brand trust as well. Communication affects the brand loyalty indirectly through the brand image and brand trust as the mediating variables with the weight of the indirect effect at 0.068 or 6.8%. It tells us that the better the brand communication managed by PT. Sanko Material Indonesia, the better the brand image. Accordingly, it will lead to the brand trust, and result in the consumers’ loyalty on the brand by PT. Sanko Material Indonesia. Furthermore, the brand image has indirect effect on the brand loyalty through the brand trust as the mediating variable with the weight of the indirect effect at 0.062 or 6.2%. It tells us that the better the brand image of the PT. Sanko Material Indonesia, the more the consumers’ loyalty on the brand will increase.

3.5 Discussions
3.5.1 The Brand Communication Effect on Brand Image
The analysis result by AMOS software tells us that there is a significant and positive effect of the brand communication variable on the brand image of the PT. Sanko Material Indonesia. It indicates that the better PT. Sanko Material Indonesia manages its brand communication, the more the brand image will increase. The marketers need to socialize the benefit of the known brand (functionality aspect) to the customers [21, 22]. The socialization would help the company to introduce its products’ attribute and the relevant services, and to manage to what extent the brand would meet the consumers’ demand and help them to solve their problems. The result of the current study is similar to the previous study conducted, which find out that the brand communication as significant and positive effect on the brand image [23].

3.5.2 The Brand Communication Effect on Brand Trust
The analysis result by AMOS software shows the significant and positive effect of the brand communication on the brand trust of the PT. Sanko Material Indonesia. It indicates that the better the brand communication, the more the consumers’ trust will increase. Underline that one of the purposes of the brand
communication is to expose a brand to the society. The result of the current study supports the study conducted by, which finds out that there is a significant and positive effect of the brand communication on the brand image [24]. The result of the current study also supports the study by, which finds that the brand communication, either one way or one-to-one communication has significant effect on the brand trust [25].

3.5.3 The Brand Image Effect on the Brand Trust
The analysis result by AMOS software shows the significant and positive effect of the brand image, the one of the variables, on the brand trust of PT. Sanko Material Indonesia. It indicates that the better the brand image, the more the brand trust will increase. The relevant literatures tell us that the brand image is paralleled with the customers’ perception on the brand’s association, which is already in their memory. According [26], brand image has two components, namely (1) corporate image and (2) product image. Corporate image is a compilation of associations perceived by consumers on a company that makes a product or offers a service. The product image is a compilation of associations perceived by consumers on products by a company. The result of the current study is conducted by consistently find out that the brand image has significant effect on the brand trust [26, 27].

3.5.4 The Brand Trust Effect on the Brand Loyalty
The analysis result by AMOS software shows the significant and positive effect of the brand trust, as one of the variables, on the loyalty of brand from China owned by PT. Sanko Material Indonesia. It indicates that the higher the consumers’ trust on the products by PT. Sanko Material Indonesia, the more the brand loyalty will increase. According to Trust-Commitment theory Morgan and Hunt, trust is the key variable to maintain the long term relations, including our trust to a brand. Therefore, it indicates that the result of the current study is aligned with the findings of the previous studies, which is the significant and positive effect of the brand trust on the brand loyalty is present [28]. In addition, it is expected that the brand trust can lead to brand loyalty of a company. Furthermore, find out that the brand trust has significant and positive effect on the brand loyalty [29, 30, 31].

4. CONCLUSIONS
The conclusions of the current study based on the result analysis are described as follows:

a) There is a significant and positive effect of the brand communication, as one of the variables, on the brand image of PT. Sanko Material Indonesia. It indicates that the better the brand communication managed by PT. Sanko Material Indonesia the more the brand image will increase.

b) There is a significant and positive effect of the brand communication, as one of the variables, on the brand trust of PT. Sanko Material Indonesia. It indicates that the better the brand communication, the more the brand trust will increase.

c) There is a significant and positive effect of the brand image, as one of the variables, on the brand trust of PT. Sanko Material Indonesia. It indicates that the better the brand image, the more the brand trust will increase.

d) There is a significant and positive effect of the brand trust, as one of the variables, on the brand loyalty of PT. Sanko Material Indonesia. It indicates that the higher the consumers’ trust on the products by PT. Sanko Material Indonesia, the more the brand loyalty will increase.

Some suggestions are offered for the marketers of PT. Sanko Material Indonesia:

a) To keep the brand communication evolves, as this activity has a lot of benefit, the company should share information to the consumers about how and why a product is used. In addition, the company should share information that is related to the manuals to use the product and when the exact time to use it as well. The company got the lowest score for its brand communication, specifically in addressing problems. The other companies manage frequent meetings with PT Sanko Material Indonesia to solve any problems and to consult. Therefore, it is recommended that PT. Sanko Material Indonesia opens wider opportunities for its business partner to scheduling consultation on any problems faced by the company’s business partners. The most highlighted problem here is the way to address the complaints. It is recommended that the company arrange a scheme of all complaints that have been submitted. The purpose of the scheme is to organize the priority list of the problems to be handled first and to offer the best solutions.

b) The company needs to increase the brand image, as it is the indicator of to what extent the quality meet the customers’ requirement. Once they are satisfied, they would repeat choosing and buying it in other times. The lowest score of the brand image is in the business partners. Therefore they should know each other’s strengths and weaknesses. For examples, they can invite each other to attend any discussions about long term business target and open the communication regularly. The accessible communication enables the parties to address any conflicts as soon as possible before anything worse happens such as termination of the cooperation. Furthermore, the company and the business partners should be able to respect and appreciate each other’s position. When you respect each other and do your best to create accessible communication, it will lead your business to massive success.
References


Received: 30 September 2019, Accepted: 06 November 2019