

Effect of Product Brand Trust on Customer Loyalty

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Abstract

The growing world of property in Indonesia has contributed to the growing size of the existing plastic putty industry and the emergence of a new industry in plastic putty. Plastic putty in addition to having a function as an aesthetic. Industrial development in Indonesia is increasing. The government has implemented development in all fields, both physical and non-physical. One form of development is industrial development in Indonesia. The purpose of this study is to analyze effect of product brand trust on customer loyalty. This research uses quantitative research. The sampling technique used is saturated sampling. The population who is also part of the sample in the study are 90 respondents at CV Usaha Jaya Binjai. The type of data used in this research is quantitative. Data analysis used partial test (t). The results show that product brand trust has a positive and insignificant effect on customer loyalty at CV Usaha Jaya Binjai. There are recommendations that can be used as suggestions for companies to pay more attention to brand loyalty and trust in customers so that customers can feel satisfied with the products they produce. Companies must take promotional actions and expand marketing techniques so that market segmentation of the brands sold.

Keywords

industry; product brand trust;
customer loyalty



I. Introduction

The growing world of property in Indonesia has contributed to the growing size of the existing plastic putty industry and the emergence of a new industry in plastic putty. Plastic putty in addition to having a function as an aesthetic. Industrial development in Indonesia is increasing. The government has implemented development in all fields, both physical and non-physical. One form of development is industrial development in Indonesia. Increased development in this sector is expected to provide foreign exchange for the country, increase employment opportunities and reduce dependence on other countries' products. However, in its development, almost all paint companies experience the same problems, including inventory, increasingly diverse consumer demand for colors and the uncertain trend of putty every year. These things forced all plastic putty companies to think of a strategy to overcome these main problems.

The development of plastic putty in North Sumatra Province is growing rapidly. Plastic putty is a protective layer that protects a surface from environmental excesses. Almost all items or objects that require plastic putty with the purpose and function of the plastic putty itself are used to protect structures from corrosion attack and give color and beautify the appearance of an object.

Customer loyalty is the amount of consumption and frequency of purchases made by a consumer against a company (Yuniarti, 2015). Customer loyalty is a behavior related to the brand of a product, including the possibility of renewing the brand contract in the future. Thus it can be concluded that customer loyalty is a commitment or attitude of customers who make repeated purchases consistently for a product or service. Customer loyalty is the amount of consumption and frequency of purchases made by a consumer against a company. The importance of loyalty to the survival of the company, companies must continuously maintain and increase the loyalty of their customers, therefore, to build customer loyalty, companies must have good relationships with customers so that companies can better understand the needs, desires and expectations of their customers. Every company is competing to carry out various strategies to create loyalty to each customer for the goods or services offered.

Trust is the foundation of business. Creating and building consumer trust is one of the most important factors in creating consumer loyalty. According to Priansa (2016) brand trust is a person's willingness to depend on a brand and the risks because of the expectation that the brand will provide positive results. Brand trust is a cognitive component of attitude, brand evaluation is an affective or feeling component and intention to buy is a conative or action component. Brand trust is the consumer's belief that the brand they want is reliable, provides a guarantee of no harm and its performance is very valuable or very useful. Based on the above theory that brand trust is the willingness of consumers to trust and feel safe in a brand with all the risks, because of the hope that the brand can provide positive and reliable results for them.

Brand trust is an assumption or expectation that the brand can be relied upon to behave generously and responsively to one's needs. There has been a decrease in the level of brand trust in the Power brand plastic putty at CV Usaha Jaya Binjai because the power brand is not well known by customers and customers must make an assessment before buying. CV Usaha Jaya Binjai is a company engaged in building materials, such as putty, iron, wood, and paint. The company was founded in 2004. CV Usaha Jaya is a company center located on Jalan Medan Binjai Kilometer 12, Binjai. As time goes by, the company's development is getting faster and the demand for public interest is getting higher, so CV Usaha Jaya Binjai tries to compete in the world of building materials, to maintain its quality. The vision is to become a putty company with the largest sales in its field. The mission is to provide quality and reliable putty products. The establishment of the organizational structure aims to obtain an overview and knowledge of the parts that exist within the company and the authority to carry out their respective duties.

Customer knowledge about the company behind the brand is also the initial basis for consumer understanding of the brand. Consumer characteristics of the brand can also include brand personality, brand attraction, and brand experience.

According to Setiadi (2010), basically communication can inform and make potential consumers aware of the existence of the products offered. In business activities, marketing communication becomes very important, and is part of the marketing mix. Therefore, to retain customers and attract new customers, companies usually carry out marketing communications that are in accordance with the character of their target customers.

The purpose of this study is to analyze effect of product brand trust on customer loyalty.

II. Review of Literature

2.1 Product Brand Trust

Trust is the foundation of business. Creating and building consumer trust is one of the most important factors in creating consumer loyalty. According to Priansa (2016) brand trust is a person's willingness to depend on a brand and the risks because of the expectation that the brand will provide positive results. Brand trust is a cognitive component of attitude, brand evaluation is an affective or feeling component and intention to buy is a conative or action component. Brand trust is the consumer's belief that the brand they want is reliable, provides a guarantee of no harm and its performance is very valuable or very useful. Based on the above theory that brand trust is the willingness of consumers to trust and feel safe in a brand with all the risks, because of the hope that the brand can provide positive and reliable results for them.

According to Setiadi (2010), the types of trust include:

1. Ojek-Attribute Trust

The knowledge that an object has special attributes is called object-attribute belief. Object-attribute trust associates objects such as a person, goods or services with attributes. Through object-attribute beliefs, consumers state what they know about something in terms of a variety of attributes.

2. Benefit-Attribute Trust

This trust is a consumer's perception of how far a certain attribute produces or provides certain benefits. People are looking for products and services that will solve their problems and meet their needs, or in other words have attributes that will provide a recognizable benefit.

3. Benefit-Object Belief

Benefit-object belief is the consumer's perception of how far a particular product, person, or service will provide a particular benefit.

According to Priansa (2016), the strategies adopted by companies and marketers in order to build trust are:

1. Integrity

For many people, integrity basically means honesty. While integrity includes honesty, it is much more than that. Integrity means cohesiveness, consistency inside and out, courage to act according to belief.

2. Intention

Intentions are closely related to motives, agendas and because of behavior. Trust continues to grow when straightforward motives are based on mutual benefit, in other words, when you genuinely care not only about yourself but also about others.

3. Ability

Their abilities inspire beliefs, talents, attitudes, skills, knowledge and styles.

4. Result

This refers to achievement, performance, success in making everything right to be done.

2.2 Customer Loyalty

Customer loyalty is the amount of consumption and frequency of purchases made by a consumer against a company (Yuniarti, 2015). Customer loyalty is a behavior related to the brand of a product, including the possibility of renewing the brand contract in the future. Thus it can be concluded that customer loyalty is a commitment or attitude of customers who make repeated purchases consistently for a product or service.

According to Yuniarti (2015) explains that the determining factors or the main factors driving customer loyalty are:

1. Customer satisfaction.
2. Service quality.
3. Brand image.
4. Perceived value.
5. Trust.
6. Customer relationships.
7. Switching costs.
8. Waiting time.
9. Reliability/dependability.

According to Yuniarti (2015), in measuring loyalty, the following attributes are needed:

1. Say positive things about the company to others.
2. Recommend the company to others who ask for advice.
3. Considering that the company is the first choice in purchasing services.
4. Do more business or purchases with the company in the next few years.

III. Research Method

This research uses quantitative research. Quantitative research is searching for data or information from the reality of existing problems (Octiva et al., 2018; Pandiangan, 2018).

The sampling technique used is saturated sampling. Saturated sampling technique is a sampling technique when all members of the population are used as samples (Asyraini et al., 2022; Octiva, 2018; Pandiangan, 2015). The population who is also part of the sample in the study are 90 respondents at CV Usaha Jaya Binjai.

The type of data used in this research is quantitative. Quantitative data is data in the form of numbers, or quantitative data that is numbered. So quantitative data is data that has a tendency to be analyzed by statistical means or techniques (Jibril et al., 2022; Pandiangan et al., 2018; Pandiangan, 2022).

To obtain relevant data in the study, it is conducted by means of interviews assisted with research instruments, namely questionnaires given to respondents, direct observation, and literature study. Data collection techniques through questionnaires are carried out by asking questions to parties related to the problem being studied (Octiva et al., 2021; Pandiangan et al., 2021; Pandia et al., 2018). To assess respondents' responses, the authors use a Likert scale.

Data analysis used partial test (t). Partial test (t) is a test used to test the significance of the regression coefficient. This partial test is used to determine the partial effect between the independent and dependent variables by looking at the t value at a significance level of 5% (Pandiangan et al., 2022; Tobing et al., 2018).

IV. Discussion

4.1 Company Overview

CV Usaha Jaya Binjai is a company engaged in building materials, such as putty, iron, wood, and paint. The company was founded in 2004. CV Usaha Jaya is a company center located on Jalan Medan Binjai Kilometer 12, Binjai.

As time goes by, the company's development is getting faster and the demand for public interest is getting higher, so CV Usaha Jaya Binjai tries to compete in the world of building materials, to maintain its quality.

The vision is to become a putty company with the largest sales in its field. The mission is to provide quality and reliable putty products.

The establishment of the organizational structure aims to obtain an overview and knowledge of the parts that exist within the company and the authority to carry out their respective duties.

The job description on CV Usaha Jaya Binjai is as follows:

1. Director
 - a. Decide and determine the highest rules and policies of the company.
 - b. Responsible for leading and running the company.
 - c. Act as a representative of the company in relation to the outside world of the company.
 - d. Appointing and dismissing company employees.
2. Finance Manager
 - a. Assist the director in analyzing the company's financial value.
 - b. Manage the company's incoming and outgoing budget.
 - c. Establish detailed implementation procedures regarding finances.
 - d. Supervise the operations of the company's finances.
3. Administration
 - a. Input data from sales and purchases.
 - b. Prepare daily data.
4. Bookkeeping
 1. Prepare financial reports.
 2. Checking the results of the financial statements.
 3. Create and prepare annual reports.
 4. Checking incoming and outgoing funds.
5. Employee
 - a. Conduct sales starting from the initial introduction, negotiation to making contracts with customers.
 - b. Increase knowledge about new or old products.

4.2 Partial Test (t) Results

Table 1. Partial Test (t) Results
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	9.060	2.419		3.745	.006

Product Brand Trust	.287	.192	.467	1.494	.173
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a. Dependent Variable: Customer Loyalty

Source: Primary Data Processing from SPSS

The results of product brand trust test have a significance value of $0.173 > \alpha=0.06$ on customer loyalty with a coefficient of 0.287, meaning that product brand trust has a positive and insignificant effect on customer loyalty at CV Usaha Jaya Binjai. Brand trust is a cognitive component of attitude, brand evaluation is an affective or feeling component and intention to buy is a conative or action component. Brand trust is the consumer's belief that the brand they want is reliable, provides a guarantee of no harm and its performance is very valuable or very useful. Customer loyalty is a behavior related to the brand of a product, including the possibility of renewing the brand contract in the future. Thus, it can be concluded that customer loyalty is a commitment or attitude of customers who make repeated purchases consistently for a product or service.

This shows that leadership of the company can maintain customer loyalty to product brand trust sold by the company. The company uses a high-quality product quality system so that customers can feel satisfaction with products produced by the company.

The results of this study are not in line with the results of previous studies by Delfina (2018) and Edris (2018) which also examined product brand trust on customer loyalty, which means that higher product brand trust will result in higher customer loyalty.

V. Conclusion

The results show that product brand trust has a positive and insignificant effect on customer loyalty at CV Usaha Jaya Binjai.

There are recommendations that can be used as suggestions for companies to pay more attention to brand loyalty and trust in customers so that customers can feel satisfied with the products they produce. Companies must take promotional actions and expand marketing techniques so that market segmentation of the brands sold.

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