

# Impact Of Brand Trust On Customer Satisfaction And Customer Loyalty

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**Abstract.** The purpose of this study was to analyze the effect of brand trust on customer satisfaction and customer loyalty. This study uses descriptive analysis and statistical methods. Participants were selected from different specializations, where each medical center was represented proportionately within the sample. Data were collected using self-administered questionnaires. Path analysis was utilized for the analyses.

**Keywords:** brand trust, customer satisfaction, customer loyalty

## 1. INTRODUCTION

The rapid growth in consumption of herbal medicines has attracted the attention of practitioners and academics. This growth also led to intense competition among drug sellers. Brand trust, customer satisfaction and loyalty are very important to gain a competitive advantage. Faithful customers will buy more for the company's products and services through repeat purchases and recommend to other consumers.

A number of studies have established a direct relationship between satisfaction and trust (Han and Jeong, 2013; Kim et al., 2009). Trust is the customer's basic needs and has been identified as an important determinant of customer relations with the brand (Chung-Herrera, 2007). Kim et al. (2009) found that instant and continuous customer satisfaction was formed based on their trust in a particular brand. In previous studies, there were still a number of research gaps and significant limitations. Previous researchers only investigated brand trust as a mediating variable (Jain, N. K., Kamboj, S., Kumar, V., & Rahman, Z. 2017).

In the marketing literature, it is strongly supported that the positive post-consumption assessment results are long-term protection (Giovanis et al., 2014), and it is evident that customer satisfaction can be an important factor of loyalty (Sashi, 2012). The findings from several empirical studies indicate that evaluation of customer satisfaction acts as a precursor to loyalty (Ladhari et al., 2011).

## 2. LITERATURE REVIEW

### Brand Trust

According to Delgado-Ballester and Luis Munuera-Alemán (2001), brand trust is defined as a feeling of security held by consumers in their interactions with brands, that it is based on the perception that brands are reliable and responsible for the interests and welfare of consumers. By linking trust with the concept of loyalty among customers, Dithan (2011) suggests that a high level of trust can turn satisfied customers into loyal ones which implies that the company can secure customer loyalty through indirect influence of customer satisfaction by concentrating on mediation. power of trust. As suggested by them, customers will be loyal to the telecommunications company if they believe that the provider will fulfill their needs besides fulfilling the promises made, and are likely to switch from one service provider to another to seek trust. The results of

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previous studies such as Berry (2002) emphasize that in telecommunications services, trust is the basis for loyalty, and that the biggest cause of failure to retain customers and make them loyal is a lack of trust.

H1: brand trust has a positive effect on customer loyalty

### Customer Satisfaction

Mowen & Minor (in Dinarty SH Manurung 2009) states that consumer satisfaction is the overall attitude shown by customer evaluations after acquiring consumer goods or services. A number of other studies also show that satisfaction significantly and positively affects loyalty (Hyun, 2010). Although it may depend on the user to be a loyal customer of a particular brand, the company also plays an important role in making their customers loyal. Previous research (Story and Hess, 2006) is based on the behavior of loyal customers.

The findings from a number of studies indicate that satisfaction positively and significantly affects e-loyalty (Oh et al., 2014) as a result, the researchers hypothesized as follows:

H2: customer satisfaction mediates the influence of brand trust on customer loyalty

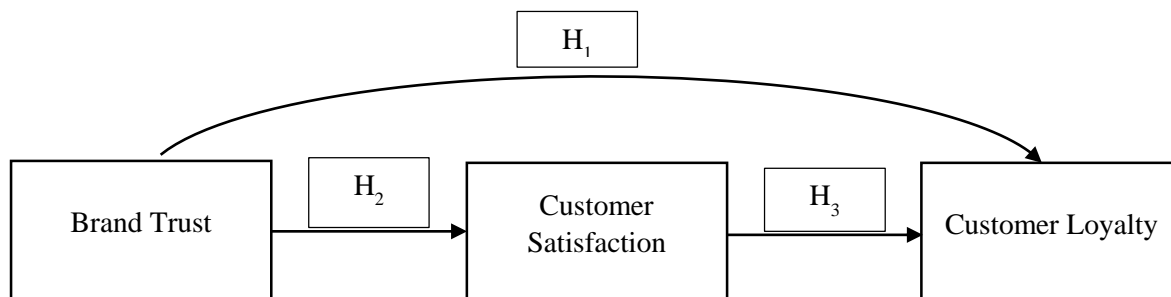
### Customer Loyalty

According to Oliver, customer loyalty is as follows: Customer loyalty is consistently held in the future, even though situational influences and marketing efforts have the potential to cause switching behavior. Customer loyalty is a strong commitment from customers to re-subscribe or re-purchase products / services that are preferred consistently in the future, even though the influence of the situation and marketing efforts has the potential to cause behavior to move.

In accordance with Edvardsson et al. (2000), Customer loyalty refers to the intention or tendency of customers to buy products or services from the same company or service provider. Satisfaction is highly correlated with loyalty in repurchases, recommends others and it is intrinsic in customer behavior (Ovidiu & Brad Allen (2010)).

H3: customer satisfaction affects customer loyalty

## 3. RESEARCH METHOD



Participants are selected from herbal medicine consumers. Data was collected using a self-administered questionnaire with a period of two weeks. The questionnaire was given to 100 consumers who agreed to participate. The sampling technique used is a non-probability technique, using subjective methods to decide the sample where not every member of the population has the same opportunity. The analysis tool used is path analysis.

**Measurement**

**Indicator Brand Trust**

1. Brand reliability is based on consumer confidence that the product is able to meet the promised value or in other words the perception that the brand is able to meet needs and provide satisfaction.
2. Brand Intension is based on consumer confidence that the brand is able to prioritize consumer interests when problems in product consumption appear unexpectedly (Delgado Ballester, 2004)

**Indicator Customer Satisfaction**

1. Tangible (direct evidence), which includes physical facilities, equipment, employees and means of communication.
2. Reliability (reliability), namely the ability to provide the promised service immediately, accurately and satisfactorily.
3. Responsiveness, namely the desire of staff to help customers and provide responsive service.
4. Assurance (guarantee), includes knowledge, ability, politeness and trustworthiness that is owned by staff, free from danger and risk of doubt.
5. Emphaty (Empathy), includes the ease of making a good communication relationship, personal attention and understanding the needs of customers (Zeithaml and Bitner, 1996)

**Indikator Customer Loyalty**

1. Trust is a response to consumer confidence in the market.
2. Emotion commitment is a consumer psychological commitment to the market
3. Switching cost is a consumer response about the burden received when a change occurs
4. Word of mouth is a publicity behavior carried out by consumers towards the market.
5. Cooperation is consumer behavior that shows the attitude that works together with the market. (Hidayat, 2009)

**4. RESULT AND DISCUSSION**

**Descriptive Analyses**

<b>Tabel I</b>		
Characteristic	Frequencies	Percentage
Jenis Kelamin		
Laki-laki	70	70%
Perempuan	30	30%
Note: n = 100		

Table I explains the participants in this study show that around 70% of the individuals are male and the remaining 30% are women.

**Statistics Analyses**

**Tabel II**

Construct, dimension, and indicators	Loading	CR	Cronbach's Alpha	$\alpha$
Brand Trust		0.1946	0.796	0.6
BT1	0.510			
BT2	0.784			
BT3	0.846			
BT4	0.819			
Customer Satisfaction		0.1946	0.782	0.6
CS1	0.647			
CS2	0.749			
CS3	0.780			
CS4	0.782			
CS5	0.634			
Customer Loyalty		0.1946	0.797	0.6
CL1	0.792			
CL2	0.813			
CL3	0.710			
CL4	0.765			
CL5	0.772			

Table II explains the first stage of this analysis aims to determine the validity and reliability of variables. The results of the analysis of all instrument variables showed validity ( $> 0.1946$ ) and reliability was far above the recommended limit (0.6).

**Tabel III**

Path	Model 1		Model 2		Hasil
	Path Coefficient	Effect Size	Path Coefficient	Effect Size	
H1: BT $\rightarrow$ CL	1.66023	9.683			Diterima
H2: BT $\rightarrow$ CS $\rightarrow$ CL			1.66437	9.633	Diterima
H3: CS $\rightarrow$ CL	1.66412	0.104			Ditolak

Table III shows the results of hypothesis analysis conducted by the researcher showing the first hypothesis of Brand Trust has a positive effect on Customer Loyalty ( $9,683 > 1,66023$ ), the second hypothesis shows Customer Satisfaction mediates the relationship of Brand Trust to Customer Loyalty ( $9,633 > 1,66437$ ), and the last hypothesis shows Customer Satisfaction does not affect Customer Loyalty ( $0.104 < 1,66412$ ).

**CONCLUSION**

Conclusions based on the results of this study indicate the existence of a brand trust effect on customer loyalty, customer satisfaction mediates the relationship between brand trust and customer loyalty, while customer satisfaction does not affect customer loyalty.

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