



The Effect of Marketing Communication on Brand Equity with Brand Image, Brand Trust, and Brand Loyalty as the Intervening Variables

Sri Murtiasih¹ Budi Hermana² Wiarsih Febriani³

University Gunadarma Faculty Of economic Departement Of Mangement, Jakarta, Indonesia.

	<p>ABSTRACT</p>
<p>2021 Research Leap/Inovatus Services Ltd. All rights reserved.</p> <p>DOI: 10.18775/jibrm.1849-8558.2015.71.3001 URL: http://dx.doi.org/10.18775/jibrm.1849-8558.2015.71.3001</p>	<p>An enterprise organization need good brand equity to survive in a fiercely competitive market. Marketing communication plays an important role in establishing brand equity. The study aims to analyze the effect of Marketing Communication that consists of advertising, sales promotion, and eWOM on brand equity with brand image, brand trust, and brand loyalty as the intervening variables. This study employs a quantitative method with a sample of 314 respondents, who are consumers of smartphones. The data is analyzed with SEM technique with Amos 21 application. Results of the study indicate a significantly positive effect of advertising and eWOM on brand image. eWOM exerts a larger effect on brand image than advertising. However, sales promotion does not affect brand image. Sales Promotion and eWOM have a significantly positive effect on brand trust, while advertising has a significantly negative effect on brand trust. Brand trust has a significantly positive effect on brand loyalty. Nevertheless, the brand image does not affect brand loyalty. Meanwhile, brand loyalty has a significantly positive effect on the brand equity of smartphone products purchased by consumers. Of the three variables of marketing communication studied, eWOM has the largest indirect effect on brand equit.</p>
<p>Keywords: Marketing Communication, Advertising, Sales Promotion, eWOM, Brand image, Brand Trust, Brand Loyalty, Brand Equity.</p>	

1. Introduction

Rapid globalization has resulted in the phenomenon in which people rely very much on technology. This phenomenon has changed how people interact with others. Information has no longer been delivered verbally. Communication is made possible using technologically advanced communication tools that transfer and receive information quickly and easily. Technological advancement has contributed to the development of the smartphone trend in Indonesia. Currently, a smartphone is no longer a mere communication tool, but rather it is a tool for business, work, storage, and entertainment. The continuous development of smartphones has led consumers to consequently update their smartphone. Thus, many teenagers make a repeated purchase to get the newest version of the smartphone with various rationales that range from meeting the scholastic need to merely earning a high prestige (Ahmed et al., 2011).

To win the competition, marketers/producers of the smartphone have to exercise good marketing communication. Marketing communication is a tool used by enterprises to inform, persuade, and remind consumers directly or indirectly about their products and brands (Kotler and Keller, 2012). Marketing communication plays an important role in developing brand image (Narayanan and Manchanda, 2010). Communication on a brand will improve awareness and memory. Therefore, customers will purchase the satisfying brand to an optimal level (Sääksjärvi and Samiee, 2011). The products that are introduced will be primarily purchased by consumers when they decide to purchase a product. Marketing communication is

closely associated with brand image and brand trust. Consumers' perception of a particular brand is reflected in the brand association in consumers' memory (Kotler and Keller, 2013). Perception of a brand is formed by consumers' previous information and experience with the brand. Brand image is very important to affect brand trust. Brand image can affect a long-term profit and enhance consumers' desire to purchase products at a premium price, improve share's market price, create competitive advantage, and ensure marketing success (Yoo & Donthu 2001). Therefore, brand image leads to brand loyalty.

Customer loyalty can be sustained when brand trust is maintained appropriately. A trusted brand is a brand that consistently meets the promises to customers through superior performance. Doing that way implies that customer brand loyalty is ensured (Chiou and Droge, 2006). This implies that brand trust also leads to brand loyalty. Moorman, Zaltman, and Deshpande (1992) suggested that trust and loyalty have to be interrelated since trust is an important key to developing a consumers' commitment or loyalty to the enterprise.

Brand loyalty has some strategic benefits for enterprises. They may include larger market share and new customers, brand expansion, reduced marketing cost, and brand strengthening against the competition. A larger number of loyal customers will generate profits for enterprises because it will serve as the fort for enterprises and a barrier for other companies to enter the market. It also serves as the basis for determining the premium price, the timing for competitive innovation. Equally important, it protects the enterprise from destroying price competition (Atilgan et al, 2005). Brand loyalty is the core of

brand equity (Tong and Hawley, 2009). According to Aaker (1996), brand loyalty is the core dimension of brand equity. Brand loyalty is found to have a dominant effect on brand equity that leads to a high level of brand equity (Yasin et al. 2007). Therefore, brand loyalty has to be enhanced to improve Brand equity (Mishra and Datta, 2011), (Murtiasih et al. 2014).

2. Literature Review

Marketing communication is an important aspect of the whole mission of marketing and the determinant of the success of marketing (Shimp, 2003). According to Fill and Jamieson (2016), marketing communication provides information and makes potential customers realize the products offered by enterprises. Marketing communication provides knowledge and comprehension about a brand. Communication can be used to persuade customers and potential customers about the benefits of making an exchange. Marketing communication can also strengthen the experience by reminding people about their needs or reminding them about the benefit of the transaction in the past by ensuring the consumers that they have to have other exchanges. Besides that, marketing communication is used to ensure or make potential consumers or consumers feel comfortable before they make exchanges more frequently after purchase.

Marketing communication is a tool for enterprises to inform, persuade, and remind consumers either directly or indirectly about the products and brands that they sell. This implies that marketing communication represents the "voice" of the enterprises and the brand of the enterprises. It can also serve as a tool to develop a dialog and communication with (Kotler and Keller, 2009). Promotion is the most important component in the marketing mix and is a type of communication to consumers. Promotion includes the use of advertisement, sales promotion, personal selling, and publicity. The advertisement presents information non-personally on the mass media concerning a particular product, brand, enterprise, or shop. Promotion affects the image, belief, and attitude of consumers to particular products and brands, and in turn, affects their purchase behavior (Evans & Raaij, 1996).

Kotler and Keller (2012) suggested that sales promotion is a short-term incentive to encourage the sales of goods or services. In other words, sales promotion is a tool to encourage consumers to purchase goods or services. There is a different perception between the message delivered by the marketers and the message received by consumers. This is a challenge that marketers have to address in planning a brand message that will be communicated to the target market (Doyle, 1998). Therefore, the identity of a brand is represented by a brand through some appearances of products, names, symbols, advertisements, etc. The brands identity is closely associated with brand image because brand image refers to the perception of consumers on a brand.

Keller (2003) suggested that a positive brand image can be developed by connecting brand association which is unique and strong to consumers' memory about a brand and be supported by an effective marketing campaign. Jalilvand and Samiei (2012) studied the effect of eWOM on brand image and purchase intention in the Iranian car industry they found that eWOM is one of the most effective factors that affect the brand and purchase intention. Positive eWOM help improve customers' purchase intention, create a favorable image of an organization and the brand, and reduce promotion cost.

Likewise, the study conducted by Torlak et al. (2014) found that brand image has an important effect on the purchase intention of smartphone brands through eWOM. Elseidi and El-Baz (2016) suggested that e-WOM has a significantly positive effect on brand image, consumers' brand attitude, and purchase intention.

Results of the studies indicate the effect of marketing communication on brand image. Ahmad (2016) proved that IMC dimensions (advertising, personal selling, public relation, and WOM) have a positive effect on the brand image of private hospitals, and only one dimension, that is sales promotion, has no effect on brand image.

With that in mind, we could propose that:

H₁: Advertising affects brand image

H₂: Sales Promotion affects brand image

H₃: eWOM affects brand image

Trust is a distinguishing factor in the online shopping (Hoffman, Novak, & Peralta, 1999). This is particularly true when consumers use the recommendation of agents and other types of decision-making tools on the Internet (Dabholkar, 2006). consumers may doubt and question if the recommendation of an agent represents the need of consumers or vendors. Results of the studies indicate that consumer in the interaction with the supplier of service improves consumers' trust. Su and Rao (2010) suggested that brand communication has exposed the out lookers to brands. The effect is improved awareness and memory. Therefore, customers will purchase satisfactory brands to the optimal level (Sääksjärvi and Samiec, 2011). Satisfaction with the performance of the brand may result in a positive brand attitude (Shankar, Azar, and Fuller, 2008). Low and Lamb (2000) revealed that brand attitude refers to the bond between consumers and brands that leads to brand trust and brand loyalty (Hoek et al, 2000). For that reason, clever marketers will take the necessary effort to build brand communication to create and sustain a positive attitude of customers to their brand. Therefore, a higher level of brand communication made by marketers will lead to higher expected customer trust with the brand. Previous empirical evidence has found a positive association between brand communication and brand trust (Su and Rao, 2010).

With that in mind, we could propose that:

H₄: Advertising affects brand trust

H₅: Sales Promotion affects brand trust

H₆: eWOM affects brand trust

Brand image is often reflected by perceived brand associations in customers or customers' memory (Lee & Tan, 2003). Brand image may serve as an important proxy for intrinsic products and information attribute that in turn encourages customers to trust the brand (Pavlou, Liang and Xue, 2007). When customers have a higher self-confidence in using a brand, it is more likely that they will trust the brand. Previous studies found results that support the positive correlation between brand image and brand trust (Cretu and Brodie, 2007). A favorable brand image will enhance customer trust that may lead to high brand trust (Del Rio et al., 2001; Keller, 1993).

Other studies also indicate that brand image has a significantly positive association with brand trust and a good brand image in customers' minds will lead to higher brand trust (Deheshti, Firouzjah, Alimohammadi, 2016). Other researchers such as Alhaddad (2015), Roets, Bevan-Dye, and Viljoen (2014), and

Liao, Chung, and Widowati (2009) have also found a similar positive association between brand image and brand trust.

With that in mind, we could propose that:

H7: Brand image g affects brand trust

Brand Image is an abstract description of products deriving from the marketing activities and interaction of market perception. Image may affect customer perception about goods or services offered (Fanany, 2015). A reputable brand name may reflect the benefits of a product and simplify the recall of the advertised benefits when compared to other less reputable brand names (Keller, 2003). There are many less reputable brand names and preferences in the market. Consumers may prefer reputable and recognized brand names. Prestigious brand name and good brand image will attract more consumers to purchase the brand and establish repeated purchase behavior and reduce price-related brand shift (Cadogan and Foster, 2000). According to Keller (2003), a principally positive brand image may improve the likelihood of brand favor. Brand image association underlies consumers' decision to be loyal to the brand.

With that in mind, we could propose that:

H8: Brand image has an effect on brand loyalty

According to Agustin and Singh (2005), trust reduces uncertainty in the environment where consumers feel vulnerable. In that way, consumers can rely on a trusted brand. When a brand can consistently meet the best interest and expectations of customers, customers are more likely to trust the brand. For example, customers will conclude that when a brand is functionally trusted when it has a credible quality or good safety before they decide to trust the brand (Bart, et al., 2005). Therefore, brand trust is a result of a process of feeling and thinking appropriately about a brand and may be seen as the effect of reliability and credibility (Chaudhuri and Holbrook, 2001). They may return and repurchase is strengthened and finally result in the attitude and behavior of brand loyalty for further purchases (Delgado et al., 2003). Consequently, a trusted brand consistently sustains the brand to the customers through superior performance. Therefore, customer loyalty to a brand has been established (Chiou and Droge, 2006). Therefore, higher customers' trust in a brand will result in higher expected customer loyalty to the brand. Previous empirical pieces of evidence have found a positive association between Brand trust and brand loyalty (Morgan and Hunt, 1994; Doney and Cannon, 1997; Chiou and Droge, 2006), and brand trust is expected to create brand loyalty.

and Canon (1997) explained that developing trust which is relatively difficult and takes a long time will contribute significantly to the relationship between sellers – buyers and will improve loyalty. Further Lau and Lee (1999) explained that trust is an important tool to develop and maintain the relationship with customers in the long term. Trust (trust or belief) is the belief that other people's or group of people's action is consistent to their trust (Dabholkar & Sheng, 2012). Brand Trust results from the performance of the brand and the ability of the brand in meeting customers' expectations and developing customers' satisfaction (Firozjzah, Alimohammadi, 2016). Because of the importance of brand trust in improving brand loyalty, consequently lower brand trust will reduce brand loyalty to the goods or services to be purchased. On the contrary, higher brand trust will lead to brand satisfaction and

loyalty.

According to Deheshti, et al. (2016) developing and maintaining customers' brand trust is one of the most important marketing programs for enterprises, especially in the competitive and unpredictable market where product differentiation is low. To create brand loyalty it is necessary to develop consumers' intention through brand trust and organizational trust. Brand trust leads brand loyalty (Delgado-Ballester & Munuera-Alemán, 2001). This is particularly true because brand trust can create a valuable relationship (Chaudhuri & Holbrook, 2002). It indicates that brand loyalty is a part of the sustainable process of a valuable and important relationship resulting from the brand trust. Other researchers also indicate support that brand trust is the determinant of loyalty (Wu et al., 2008) and (Berry, 1983).

With that in mind, we could propose that:

H9: Brand image has an effect on brand loyalty

High affiliation to a brand is known as brand loyalty (Naghbi & Sadeghi, 2011). Customers' desire to repeat the purchase of products is brand loyalty, although other brands are also available in the market (Rajagopal, 2010). However, the behavior of consumers is very different in different cultures. Some people have a better brand awareness than others (Mooij & Hofstede, 2011). According to Tong & Hawley (2009), the core of brand equity is brand loyalty. Meanwhile, Kim et al (2008) claimed that brand loyalty is a kind of high dedication to obtain or use goods or services that they like repeatedly in the future. The customers' decision to purchase the same products is mostly affected by brand loyalty (Wahid et al., 2011). Ling et al., (2014) suggested that Loyalty requires that loyal customers may be willing to receive anything. They are willing to pay for goods at any price and there is a very high switching cost to other brands. Therefore to improve brand equity, we have to improve Loyalty (Mishra & Datta, 2011).

With that in mind, we could propose that:

H9: Brand loyalty has an effect on brand equity

3. Method

In the hypothesis testing, we surveyed by distributing the questionnaires to respondents. Samples were collected with the purposive sampling technique. Totally 314 respondents were collected. The questionnaires were distributed online through Google form to the respondents who were the consumers who purchase a smartphone in Indonesia. The mean age of the respondents is 29 years. It means that most of the respondents belong to the millennial generation. On average, they use social media 2.5 days per week. In the hypothesis testing, the researchers employed the Structural Equation Modeling (SEM) analysis.

The questionnaires of the research were initially developed in English and then translated into the Indonesian language. The questionnaires were distributed to thirty respondents for the pre-test samples before they were distributed to all respondents.4.

Results and Discussion

Respondents were asked to assess all the items, using a five-point Likert scale, ranging from "1 – strongly disagree" to "5 strongly agree". Questionnaire of advertising was adopted from the study of Sundeed, Sajjad, Ahsan, Qaira, Muzzammil, and Mazher (2017), the questionnaire of sales promotions was

developed from the theory introduced by Kotler & Armstrong (20...), the questionnaire of eWOM was adopted from the study of Bambauer-Sachse and Mangold, (2011); Goyette et al (2010). The questionnaire of brand trust was adopted from the study of Azize, Cemal, Hakan, (2012), the questionnaire of the brand image was adopted from the study of (Hoeffler and Keller, 2003, the questionnaire of brand loyalty was adopted from the study of Yoo et al (2000), Yasin (2007), whereas questionnaire of brand equity was adopted from the study of Yoo, et al (2000), Yasin, (2007)

The reliability of the research instrument is measured by Cronbach α , while the validity is measured by Average Variance Extracted (AVE). The measurement model with five latent variables is presented in Table 2.

Table 2: Confirmatory Factor Analysis

Variable	Item	Loading	Cronbach α	AVE	CR
Advertising	Ad1	0.82	0.952	0.830	0.899
	Ad2	0.90			
	Ad3	0.79			
	Ad4	0.81			
Sales Promotion	SP1	0.80	0.848	0.837	0.905
	SP2	0.92			
	SP3	0.80			
	SP4	0.83			
Electronic Word of Mouth	eWOM1	0.78	0.777	0.734	0.854
	eWOM2	0.66			
	eWOM3	0.71			
	eWOM4	0.77			
	eWOM5	0.75			
Brand Image	BI1	0.81	0.970	0.874	0.970
	BI2	0.82			
	BI3	0.83			
	BI4	0.84			
	BI5	0.85			
	BI6	0.86			
	BI7	0.87			
	BI8	0.88			
	BI9	0.89			
	BI10	0.90			
Brand Trust	BT1	0.88	0.971	0.874	0.957
	BT2	0.88			
	BT3	0.92			
	BT4	0.84			
	BT5	0.86			
	BT6	0.89			
	BT7	0.85			
Brand Loyalty	BL1	0.69	0.921	0.745	0.883
	BL2	0.83			
	BL3	0.78			
	BL4	0.82			
	BL5	0.71			
	BL6	0.64			
Brand Equity	BE1	0.86	0.958	0.867	0.948
	BE2	0.88			
	BE3	0.89			

Data analysis suggests that each indicator or dimension that forms each latent variable indicates good results. They have a high loading factor, where each indicator is higher than 0.5. The score of the loading factor has to be higher than 0.50 (Hair et al., 2010).

Composite reliability (CR) is used to measure construct reliability in the model. Table 2 indicates the CR of advertising of 0.899, sales promotion of 0.905, eWOM of 0.854, brand image of 0.970, brand trust of 0.957, brand loyalty of 0.883, and brand equity of 0.948. So it identified that in the measurement

model all constructs have good reliability. The convergent validity indicates the extent to which a particular construct indicator has a generally high variation percentage (Hair et al., 2010). All variables indicate AVE value of higher than 0.70. The AVE for advertising is 0.830, while it is 0.837 for sales promotion, 0.374 for eWOM, 0.874 for brand image, 0.874 for brand trust, 0.845 for brand loyalty, and 0.867 for brand equity. It can be concluded that the indicators that constitute the latent variable have indicated good results.

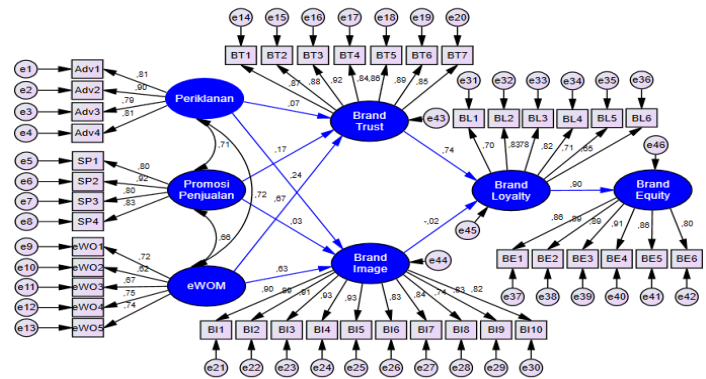


Figure 1: Path Analysis of SEM Model

The significance of the parameter of each correlation in the SEM model was tested by confirmatory factor analysis (CFA). The correlation between the observed variables and the latent variables is presented in Figure 1. According to Hair et al (2010), a good factor loading should be higher than 0.5 and ideally, it should be higher than 0.7.

The goodness of Fit of Inner Model

Before performing further analysis, it is necessary to have statistical testing for SEM model comprehensively. The objective of the testing is to identify if the model is in general fit to the existing sample data and to identify how appropriate the observed variables can explain the latent variable. Results of output goodness of fit statistics deriving from the SEM model are presented in Table 3.

Table 3. Model fit

No.	Statistics of Model Fit	Criteria	Default Model	Result
1.	χ^2/df	< 3	2,375	Fit
2.	NFI	$\geq 0,90$	0,863	Moderate
3.	RFI	$\geq 0,90$	0,854	Moderate
4.	IFI	0,0-1,0	0,916	Fit
5.	TLI	$\geq 0,90$	0,910	Fit
6.	CFI	$\geq 0,90$	0,916	Fit
7.	RMSEA	$\leq 0,08$	0,066	Fit

Based on the results of output goodness of fit statistics from the software of Amos 22 and the discussion about the goodness of fit, it can be said that SEM model with the software of AMOS 22 developed in this research is a good model as we can see in Table 3. The ratio of χ^2/df is 2.375, normed fit index (NFI) with the value of 0.863, Relative fit index (RFI) 0.854. The incremental fit index (IFI), Tucker-Lewis index (TLI), and comparative fit index (CFI) all have a value above 0.9, which means they have a good fit. The root mean square error of approximation (RMSEA) with the value of 0.066, which is $0.05 \leq RMSEA \leq 0.08$ indicates a good fit (Brown & Cudeck, 1993). Therefore, it can be said that the model developed to test the

effect of social media usage and eWOM on purchase decisions mediated by perceived usefulness and trust are all Good Fit.

The structural model, including the research hypotheses and paths, was examined using the maximum likelihood estimation procedure. The structural model reveals adequate goodness of fit with the data as presented in Table 4.

Table. 4. Results of Hypothesis

The effect of Advertising on Brand Image

Table 4 presents the results of the testing of the first hypothesis. They indicate that the correlation between advertising and brand image has shown a P-value of ***, and a regression coefficient of 0.37. the results imply that advertising has a significantly positive effect on brand image, where a higher rate of advertising will lead to a higher brand image of smartphone. Or in other words, hypothesis one (H1) that predicts the effect of advertising on brand image is accepted.

Advertising is an effective driving power for a brand to deliver messages from marketers to consumers. Frequent display of creatively and attractively prepared advertising in different media will be more likely to be easier to remember and thus will create a positive perception of the smartphone brand. advertising as one of marketing communications can be used by marketers to develop dialog and relationship with consumers, as well as deliver a new identity of brand through the product appearance, name, symbol, etc. brand identity is closely associated with the brand image since brand image refers to consumers' perception on a brand. The results of this study are in line with the studies conducted by Fard and Farahani (2015), Ahmad (2016), Thaichon et al (2013), and Martin (2017).

The effect of Sales Promotion on Brand Image

Results of the testing of the second hypothesis indicate that the correlation between sales promotion and brand image has a P value of 0.164 and a regression coefficient of 0.09. this result implies that sales promotion does not have any significant positive effect on brand image, where sales promotion for smartphone products does not improve brand image. Or in other words hypothesis two (H2) predicting that there is an effect of sales promotion on brand image, is rejected. this study indicates that enterprises that offer promotion programs to encourage customers to purchase as soon as possible, offer special promotion at a particular time (such as giving a discount and prize, launching a special edition, practicing interest-free credit purchase), does not have any effect on the brand image of smartphone. In this study, because the age of the respondents belongs to generation Z, they are more likely to be fanatics involving a particular smartphone brand and accordingly will purchase without expecting a special program of sales

promotion. This is in line with the study conducted by Ahmad (2016) that indicates that among the variables of marketing communication only sales promotion does not affect brand image, different from the results of the studies conducted by Thaichon et al (2013), Fard and Farahani (2015), Martin (2017) that indicate the significant effect of all variables of marketing communication on brand image.

The effect of eWOM on Brand Image

Results of the testing of the third hypothesis indicate that the correlation between the electronic word of mouth (eWOM) and brand image has a p-value of ***, and regression coefficient of 0.39. this implies that eWOM has a significant effect on brand image. A higher rate of positive eWOM information will improve the good image of the brand of smartphone. Or in other words, hypothesis three (H3) predicting that there is an effect of eWOM on brand image is accepted. Among the three variables of marketing communication, the variable of eWOM has the largest effect on brand image.

This study indicates that online good and positive talk that recommend and review the brands of the products of Smartphone will affect the brand image of the smartphone. This is in line with the study conducted by Jalilvand (2012) Thaichon et al (2013), Fard and Farahani (2015), Ahmad (2016), and Martin (2017).

The effect of Advertising on Brand Trust

Results of the testing of the fourth hypothesis indicate that the correlation between Advertising and brand trust has a P-value of 0.018, and a regression coefficient of -0.12. this result implies that advertising has a significantly negative effect on brand trust, where a higher rate of advertising will decrease the level of brand trust in the smartphone. Or in other words, hypothesis four (H4) predicting that there is an effect of advertising on brand trust is accepted.

this study indicates that larger expense and intensity of advertising of the smartphone products will decrease public trust in the smartphone brand. This is because trust is developed with the expectation that other parties will behave to meet the need and desires of consumers. High expenditure on advertising in consumers' perception implies that the brand fails to meet their needs and intentions. Consumers perceive how much the brand can meet the promise delivered in the advertisement. Although marketers intensely advertise the products, consumers' trust declines.

The finding is in contrast to the finding of the previous studies conducted by Torlak et al. (2014), Fard and Farahani (2015), Sadek and Tantawi (2016), Bakator, et al (2017) all of which suggested the presence of the positive and significant effect of advertising on brand trust.

The effect of Sales Promotion on Brand Trust

Results of testing of the fifth hypothesis indicate that the correlation between sales promotion and brand trust has a p-value of ***, and regression coefficient of 0.19. This result implies that sales promotion has a significant effect on brand trust. sales promotion for smartphone products may improve brand trust. Or in other words hypothesis five (H5) suggesting the correlation between sales promotion and brand image, is accepted.

		Estimate	S.E.	C.R.	P	Effects
Brand_Image	<--- Sales_Promotion	,103	,074	1,393	,164	Absent
Brand_Image	<--- Advertising	,415	,084	4,930	***	Present
Brand_Image	<--- eWOM	,474	,087	5,412	***	Present
Brand_Trust	<--- Advertising	-,124	,052	-2,376	,018	Present
Brand_Trust	<--- Sales_Promotion	,193	,045	4,264	***	Present
Brand_Trust	<--- eWOM	,162	,055	2,933	,003	Present
Brand_Trust	<--- Brand_Image	,702	,048	14,697	***	Present
Brand_Loyalty	<--- Brand_Trust	,778	,124	6,284	***	Present
Brand_Loyalty	<--- Brand_Image	-,104	,102	-1,019	,308	Absent
Brand_Equity	<--- Brand_Loyalty	1,035	,078	13,316	***	Present

this study indicates that enterprises that offer promotion programs to encourage customers to purchase as soon as possible, provide special offers at a particular moment (such as discount, prize, launching of a limited and special edition, interest-free credit purchase), affect consumers' trust in the smartphone brand. Of the three variables of marketing communication, sales promotion has the largest effect on brand trust. A short-term promotion program is more likely to improve consumers' trust in the smartphone brand because, in reality, the promotion can directly be proven. This finding is in line with the studies conducted by Thaichon et al (2013), Fard and Farahani (2015).

The effect of eWOM on Brand Trust

Results of testing of the sixth hypothesis indicate that the correlation between the electronic word of mouth (eWOM) and brand trust has a P-value of 0.003, and a regression coefficient of 0.15. This result implies that eWOM has a significant effect on brand trust, where higher eWOM will result in a higher brand image of smartphone. Or in other words, hypothesis six (H6) predicting the effect of eWOM on brand trust is accepted. eWOM is the media to deliver various kinds of information and talk to many people through the web or blog. Good and online positive talks that recommend and review products or brands of smartphones will affect brand trust smartphone because consumers have got information from the web and feel sure and trust the review of the people who have tried the products. therefore, positive eWOM improves Brand Trust. This is in line with the studies conducted by Thaichon et al (2013), Fard and Farahani (2015).

The Effect of Brand Image on Brand Trust

Results of testing of the seventh hypothesis indicate that the correlation between brand image and brand trust has a p-value of ***, and regression coefficient of 0.77. This result implies that brand image has a significant effect on brand trust, where a brand image of the smartphone products can improve brand trust. Or in other words, hypothesis seven (H7) predicting the effect of between brand images on brand trust, is accepted. this study indicates that the type of association in the minds of the consumers when they recall the smartphone brand has an effect on consumers' trust in the brand. this study indicates that a higher level of consumers' association that a brand has a good reputation, nice appearance, and shape, sophisticated technology, much benefits, high quality, a unique feature, good impression, prestigious use, easy recall, and pronunciation will lead to a higher level of consumers trust to the smartphone brand. Consumers' higher perception of the reliability, uniqueness, and strength of the smartphone brand, will exert stronger trust in the smartphone brand. This is in line with the studies conducted by (Deheshti, Firouzjah, Alimohammadi, 2016) that suggested the positive and significant association of trust brand and brand image among the customers and higher brand trust. Other researchers such as Alhaddad (2015), Roets, Bevan-Dye, and Viljoen (2014), and Liao, Chung, and Widowati (2009) have published the results of similar studies, that is the positive effect of brand image on brand trust.

The effect of Brand Image on Brand Loyalty

Results of testing of the eight hypotheses indicate that the correlation between brand image and brand trust has a p-value of 0.308 and regression coefficient of -0.12. This result implies that brand image has no effect on brand loyalty. Consumers'

brand image on the smartphone has no effect on consumers' loyalty to the smartphone brand. Or in other words hypothesis eight (H8) predicting the effect of brand image on brand loyalty, is rejected.

this study indicates that the association in the mind of consumers when recalling the smartphone brand has no effect on consumers' trust in the brand. In this study consumers' association to the good reputation, attractive appearance, sophisticated technology, abundant benefits, good quality, a unique feature, good impression, prestigious use, easy recalling, and pronunciation do not have a direct effect on consumers' loyalty to the smartphone brand. this study indicates that consumers' perception about a brand has no direct effect on consumers' loyalty to the brand through consumers' brand trust to the purchased smart hone. This result is in contrast to the results of the studies conducted by Jian (2004), Anwar, A., et al. (2011).

The effect of Brand trust on Brand Loyalty

Results of testing of the ninth hypothesis indicate that the correlation between brand trust and brand loyalty has a p-value of ***, and regression coefficient of 0.83. This result implies that brand trust has a significant effect on brand loyalty, where higher brand trust will correlate to higher brand loyalty to the smartphone. Or in other words hypothesis nine (H9) predicting that there is an effect of brand trust on brand loyalty, is accepted.

Brand trust is a key variable in the development of wants and maintenance of brand relationships in the long term with the consumers. this study indicates that improvement of brand trust in consumers with the belief that the brand is reliable, sell products as promised, the brand quality is consistently maintained, the brand that helps consumers solve their problems, the brand that meets the need of consumers, the brand ensures customers' value and satisfaction, have an effect on the improvement of consumers' loyalty to the smartphone brand.

The large value of regression coefficient (0.983) between brand trust and brand loyalty implies that higher consumers' trust in the smartphone brand will lead to higher consumers' loyalty to the brand. Loyal behavior is reflected in the willingness of consumers to pay a higher price, making the brand the primary preference, and consistent reliance on the brand. Results of this study strengthen previous studies conducted by Berry (1983), Delgado et al, (2001), Chaudhuri & Holbrook, (2002). Jian (2004), Wu et al., (2008); and Anwar, et al (2011), all of which indicate a positive and significant association between brand trust and brand loyalty.

The effect of Brand Loyalty on Brand Equity

Results of the testing of the tenth hypothesis indicate that the correlation between brand loyalty and brand equity has a p-value of *** and the regression coefficient of 0.89. This result implies that brand loyalty has a significant effect on brand equity, where higher brand loyalty leads to the higher brand equity of the smartphone. Or in other words hypothesis ten (H10) predicting the effect of brand loyalty on brand equity, is accepted.

this study indicates that improvement of loyalty consumers shown by the brand preference, willingness to pay a higher price than that of other brands, unwillingness to purchase other brands when the brand is absent on the shop shelf, heavy consideration before purchasing other similarly wanted brands of the smartphone, and willingness to pay at any price to purchase the favorite smartphone brand, will affect the improvement of brand equity of the smartphone.

the regression coefficient value of 0.89 indicates that stronger brand loyalty will lead to stronger brand equity, because loyal consumers do more likely not to shift to other brands. This is in line with the studies conducted by Ling et al., (2014) that suggested that loyal customers are willing to receive anything and pay at any price for a brand (Mishra & Datta, 2011). Murtiasih, et al (2014) suggested that improvement of brand loyalty will improve brand equity.

5. Conclusion

Advertising and eWOM have significantly positive effects on brand image. However, sales promotion has no effect on brand image. eWOM has the largest effect on brand image. It means that positive information delivered through eWOM will further improve the good image of the smartphone brand. Advertising has a negative and significant effect on brand trust. Higher advertising intensity will result in lower brand trust. Sales promotion and eWOM have a positive effect and significant on brand trust. Sales Promotion has the largest effect on brand image. Marketing communication with short-term incentives provides direct incentives to the consumers of smartphone. Therefore, the brand trust gets stronger.

Brand image has a positive and significant effect on brand trust. Improvement of positive association to a smartphone brand can improve consumers' trust in the smartphone. Better association or brand image perceived with strength, uniqueness, and reliability of products will improve consumers' trust in the smartphone brand. Brand trust has a significantly positive effect on brand loyalty. Improvement of consumers' trust in brand shown by the belief that the sold products meet the promise, the brand quality is consistently maintained, and consumers' satisfaction is well addressed will improve consumers' loyalty to the smartphone brand. Meanwhile, the Brand image has no direct effect on brand loyalty. However, brand image constitutes consumers' brand trust. the brand trust further has an effect on consumers' loyalty to the smartphone brand.

Brand loyalty has a significant effect on brand equity. stronger brand loyalty will improve brand equity because loyal consumers will not more likely shift to other brands. Of the three variables of marketing communication, eWOM or positive information has the largest indirect effect on brand equity.

References

- Aaker, David . A . (1991), *Managing Brand Equity : Capitalizing On The Value Of A Brand Name*, Mc Graw Hill, Inc, New York.
- Aaker, D.A. and Biel, A. (1992), (Eds), *Building Strong Brands*, Hillsdale, N.J.: Lawrence Erlbaum Associates
- Agustin C. and Singh J. (2005). "Curvilinear Effects of Consumer Loyalty Determinants in Relational Exchanges". *Journal of Marketing Research*, XIII.
- Ahmed, I., and Qazi, T.F. (2011), "Mobile Phone Adoption & Consumption Patterns of University Students in Pakistan", *International Journal of Business and Social Science*, Vol. 2 No. 9
- Ahmad, A.M.K. (2016), "Integrated Marketing Communication and Brand Image in Saudi Private Sector Hospitals: An Empirical Investigation", *International Journal of Business and Management*; Vol. 11, No. 11; 2016 ISSN 1833-3850 E-ISSN 1833-8119, Canadian Center of Science and Education
- Alan, E.T.K.A.K., (2012) "Brand Trust And Brand Affect: Their Strategic Importance On Brand Loyalty", *Journal of Global Strategic Management* | 11|pp. 80-88
- Alhaddad A.(2015), "A structural model of the relationships between brand image, brand trust and brand loyalty". *International Journal of Management Research and Reviews*.;5(3):137-44.
- Abdullah A. (2015). "Perceived Quality, Brand Image and Brand Trust as Determinants of Brand Loyalty". *Journal of Research in Business and Management* 3(4) 01- 08 ISSN (Online): 2347-3002
- Amine Abdelmajid, (1998), "Consumers' True Brand Loyalty: The Central Role of Commitment", *Journal of Strategic Marketing*, 6, p. 305-319.
- Anwar, A., Gulzar, A., Sohail, B. F., & Akram, S. N. (2011). Impact of brand image, trust and affect on consumer brand extension attitude: The mediating role of brand loyalty. *International Journal of Economics and Management Sciences*, 1(5), 73-79
- Bakator, M., Borić S., and Mina Paunović, M. (2017), "Influence Of Advertising On Consumer-Based Brand Loyalty", *Journal Of Engineering Management And Competitiveness (Jemc)*, Vol. 7, No. 2, 2017, 75-83
- Bart, Y., Shankar, A., Sultan, F. and Urban, G.L. 2005. "Are the Drivers And Role of Online Trust the Same For All Web Sites And Consumers? A Large-Scale Exploratory Empirical Study". *Journal of Marketing*, Vol. 69, pp.133-152.
- Benneta, R., Charmine, E.J.H. and McColl-Kennedy, J.R. 2005, "Experience as a moderator of involvement and satisfaction on brand loyalty in a business- to-business setting", *Industrial Marketing Management*, Vol. 34 No. 1, pp. 97-107.
- Berry, L. L. (1983). Relationship marketing. In L. T. Berry, G. L. Shostack, & G. D. Upah (Eds.), *Emerging perspectives on service marketing* (pp. 25–28). Chicago: American Marketing Association.
- Broadbent, S., Bridson, K., Ferkins, L., & Rentschler, R. (2010). Brand Love, Brand Image and

- Loyalty in Australian Elite Sport. Australian and New Zealand Marketing Academy, 1–9
- Cadogan, J.W. & Foster, B.D. (2000). Relationship Selling and Customer Loyalty: An Empirical Investigation, *Marketing Intelligence and Planning*, 18(4), 185-199
- Chaudhuri, A. and Holbrook, M.B. (2001), "The Chain of effects from Brand Trust and Brand Effect to Brand Performance: The Role of Brand Loyalty", *Journal of Marketing*, Vol. 65, April, pp. 81-93
- Chinomona, R., (2016), "Brand communication, brand image and brand trust as antecedents of brand loyalty in Gauteng Province of South Africa", [African Journal of Economic and Management Studies](#), Vol. 7, Issue 1
- Chiou, J.S. and Droge, C. 2006. "Service quality, trust, specific asset investment, and expertise: direct and indirect effects in a satisfaction-loyalty framework". *Journal of the Academy of Marketing Science*, Vol. 34 No. 4, pp. 613-27
- Cravens, David W and Piercy, Nigel F. 2013. *Strategic Marketing*, New York : McGraw-Hill.
- Cretu, A. E., and Brodie, R. J. 2007. "The influence of brand image and company reputation where manufacturers market to small firms: A customer value perspective". *Industrial Marketing Management*, Vol. 36, pp. 230–240.
- Deheshti, M, Firouzjah. J.A., Alimohammadi, H (2016), "The Relationship between Brand Image and Brand Trust in Sporting Goods Consumers", *Annals of Applied Sport Science*", Vol. 4, no. 3, pp. 27-34
- Dabholkar, P. A. (2006). Factors influencing consumer choice of a 'rating web site': An experimental investigation of an online interactive decision aid. *Journal of Marketing Theory & Practice*, 14(4): 259–273.
- Delgado-Ballester, E., J. L. Munera-Alemain, and M. Yague-Gullien. (2003). 'Development and Validation of a Brand Trust Scale.' *International Journal of Market Research* 45 (1): 35–53.
- Delgado, Elena and Manuera, J.L. (2001), "Brand Trust in the Context of Consumer Loyalty", *European Journal of Marketing*, Vol. 35 No. 11/12, pp. 1238-1258.
- Del Rio, A.B., Vázquez, R., and Iglesias, V., (2001), "The effects of brand associations on consumer response", *Journal of Consumer Marketing* 18(5):410-425
- Dick, A.S., Basu, K. (1994)., Customer loyalty: Toward an integrated conceptual framework. *JAMS* 22, 99–113
- Doney, P. M., and Canon, J. P. (1997). "An examination of the nature of trust in buyer-seller relationships". *Journal of Marketing*, 46, 92-101
- Duncan, T. (2008). *Principles of Advertising and IMC*. Boston. McGraw Hill.
- Elseidi, R. I., and El-Baz, D. 2016. "Electronic Word Of Mouth Effects On Consumers Brand Attitudes, Brand Image And Purchase Intention: An Empirical Study In Egypt". *The Bussines and Management Review*, 7 (5): 268-276.
- Erfan Severi & Kwek Choon Ling(2013). "The Mediating Effects of Brand Association, Brand Loyalty, BrandImage and Perceived Quality on Brand Equity". *Asian Social Science*, 9(3).
- Evans, M., Moutinho, L. and Raaij, W. F. V. (1996) *Applied Consumer Behavior*. Addison-Wesley: Harlow
- Fanany. F, "Pengaruh Brand Image and Service Quality terhadap Loyalty Through Satisfaction Customers, *Jurnal Ilmu and Riset Manajemen, Sekolah Tinggi Ilmu Ekonomi Indonesia (STIESIA) Surabaya*, Vol. 4, No. 1, 2015, h. 7-8
- Fard, M.B., and Farahani, T. (2015), "Integrated Marketing Communication And Its Impact On The Development Of Customer-Based Brand Equity In The Insurance Industry (Case Study: Pasargad Insurance)", *Indian Journal of Fundamental and Applied Life Sciences* ISSN: 2231– 6345 (Online) An Open Access, *Online International Journal* , Vol. 5 (S2), pp. 2300-2309
- Fill and Jamieson (2016), *Marketing Communications*, Seventh edition, Pearson Education Limited, Edinburgh Gate
- Goyette, I., Ricard,L.,Bergeron,J. & Marticotte, F (2010). "e-WOM Scale: Word-of-Mouth Measurement Scale for e-Services Context", *Canadian Journal of Administrative Sciences*, 27(1),5-23
- Hair Jr, J.F., Black, W.C., Babin, B.J., Anderson, R.E. and Tatham, R.L. (2004) *Multivariate Data Analysis*, 6th edn, Prentice-Hall: Upper Saddle River, NJ
- Hoek, J., Dunnett, J., Wright, M. and Gendall, P. 2000."Descriptive and Evaluative attributes: What Relevance to Marketers?".*Journal of Product and Brand Management*, Vol. 9 No. 6, pp.415-435.
- Hoffman, D. L., Novak, T. P. and Peralta, M. 1999. Building consumer trust online. *Communications of the ACM*, 42(4): 80–85
- Hwang, J., & Kandampully, J. (2012). The role of emotional aspects in younger consumer-brand relationships. *Journal of Product & Brand Management*, 21, 98–108.
- Jalilvand, M.R. &Samiei, N. (2012). The effect of electronic word of mouth on brand image and purchase intention. *Marketing Intelligence & Planning*, 30 (4), 460-476.
- Jian, Y.X.(2004). "Research on the product value, brand trust, brand emotion and the brand loyalty", *Journal of Management*, 61,29-50.

- Keller, K.L. (1993), "Conceptualizing, Measuring and Managing Customer-Based Brand Equity," *Journal Of Marketing*, 57 (January), 1–22.
- Keller, K. L. (1994). "Integrating Marketing Communications to Build Brand Equity". Research Papers Series, (1285).
- Keller, K. L. (2001)." Mastering the Marketing Communications Mix: Micro and Macro Perspectives on Integrated Marketing Communication Programs". *Journal of Marketing Management*, 17(7–8), 819–847.
- Keller, K.L., (2013). *Strategic Brand Management: Building, Measuring, and Managing Brand Equity*. Global Edition. Pearson.
- Kim, H. B., & Kim, W. G. (2005). "The relationship between brand equity and firms' performance in luxury hotels and chain restaurants". *Tourism management*, 26(4), 549-560
- Kotler, Philip & Karen F.A. Fox, 1995, *Strategic Marketing for Educational Institutions*, Prentice-Hall.
- Kotler, Philip and Gary Amstrong. 2008. *Prinsip-Prinsip Pemasaran*. Edisi 12 Jilid1. Jakarta: Erlangga.
- Kotler, P. and Keller, K.L. (2012), *Marketing Management*. 14th Edition, Pearson Education
- Kriyantono, Rachmat. 2009. *Teknik Praktis Riset Communication*. Jakarta : Kencana Prenada Media Group.
- Lau, T. and Lee, J. C.. (1999). *The Impact of Market Knowledge Competence on New Product Advantage : Coconceptualization and Empirical Examination*. *Journal of Marketing*.
- Lee, K.S. and Tan, S.J. 2003. "E-retailing versus physical retailing: A theoretical model and empirical test of consumer choice". *Journal of Business Research*, Vol. 56 No. 11, pp. 877–885.
- Liao S, Chung Y, Widowati R. (2009), "The relationships among brand image, brand trust, and online word-of-mouth: an example of online gaming". *IEEE International Conference on Industrial Engineering and Engineering Management (IEEM)*
- Lovelock, and Wirzt. 2011. *Service Marketing. People, Technology, Strategy* 7th edition. New Jersey Pearson.
- Low, G. S. and Lamb, C. W. J. 2000. "The measurement and dimensionality of brand associations". *The Journal of Product and Brand Management*, Vol. 9 No. 6, pp. 350–368.
- Martin R., (2017), "Integrated Marketing Communication and Loyalty Model", *International Jurnal of Islamic Business Ethics*, Vol. 2 No. 1, 245 - 261
- [Meenaghan, T.](#) (1995), "The role of advertising in brand image development", [Journal of Product & Brand Management](#), Vol. 4 No. 4, pp. 23-34
- Mishra, P., & Datta, B. (2011). "Brand name: The impact factor". *Research Journal of Business Management*, 5(3), 109-116.
- Morgan, R. M. and Hunt, S. D. 1994. "The commitment–trust theory of relationship marketing". *Journal of Marketing*. Vol. 58 No. 5, pp. 20-38.
- Morgan M.Robert & Hunt D. Shelby, (1994), "The Commitment-Trust Theory of Relationships Marketing", *Journal of Marketing*, Vol.58 (July 1994), p.20-38.
- Murtiasih, S., Sucherly, Siringoringo (2014), Impact of country of origin and word of mouth on brand equity, *Marketing Intelligence & Planning*, Vol. 32 Iss: 5, pp.616 – 629.
- Naghibi, S., & Sadeghi, T. (2011). "Factors of Customer Satisfaction and Loyalty in Industrial Marketing (B2B)". *Middle-East Journal of Scientific Research*, 8(5), 902-907.
- Pavlou, P . A., Liang, H. and Xue, Y . 2007. Understanding and mitigating uncertainty in online exchange relationships: A principal-agent perspective. *MIS Quarterly*, Vol. 31 No. 1, pp. 105–136.
- Priansa, D. J. (2017). *Behavior Consumers Dalam Competition Bisnis Kontemporer*. Bandung: Penerbit Alfabeta Sugiyono. 2013. *Metode Penelitian KOMBINASI (Mixed Methods)*. Bandung: Alfabeta.
- Roets CRQ, Bevan-Dye AL, Viljoen WP., (2014), "Influence of Social Image and Brand Trust on Mobile Phone Brand Equity amongst African Generation Y Students". *Mediterranean Journal of Social Sciences*. 2014;5(21):75-84.
- Sadek, H and Tantawi, P, (2016), "Impact of Selected Marketing Communication Tools on Building Brand Equity in the Egyptian Banking Sector", *Proceedings of 35th International Business Research Conference 30 - 31 May 2016*, American University in the Emirates, Dubai, UAE
- Saaksjarvi , M. and Samiee, S. 2011. "Relationships among Brand Identity, Brand Image and Brand Preference: Differences between Cyber and Extension Retail Brands over Time". *Journal of Interactive Marketing*, Vol. 25 No. 3, pp. 169–177
- Setiadi, J., Nugroho (2003). *Behavior Consumers Konsep and Implikasi untuk Strategi and Penelitian Pemasaran*. Jakarta: Kencana.
- Severi, E., & Ling, K. C. (2013). The Mediating Effects of Brand Association, Brand Loyalty, Brand Image and Perceived Quality on Brand Equity. *Asian Social Science*, 9(3), 125– 137.
- Shabbir, M.Q., Khan, A.A., and Khan, S.R. (2017), "Brand Loyalty Brand Image And Brand Equity: The Mediating Role Of Brand Awareness", *International Journal of Innovation and Applied Studies*, Vol. 19 No. 2 Feb. 2017, pp. 416-423

- Shankar, V. Azar, P. and Fuller, M. 2008. "BRAN*EQT: A Multicategory BrandEquity Model and its Application at Allstate". *Marketing Science*, Vol. 27 No. 4, pp.567-584.
- Shimp, Terence A. 2010. *Advertising Promotion and Other Aspects of Interated Marketing Communication*, 8th Edition. Canada: Nelson Education,Ltd
- Su, M. and Rao, V. R. 2010. "New product preannouncement as a signaling strategy: An audience-specific review and analysis". *Journal of Product Innovation Management*, Vol. 27 No. 5, pp. 658–672.
- Sugiyono. 2010. *Metodologi Penelitian Bisnis*. Bandung: Alfabeta
- Sugiyono. 2014. *Metode Penelitian Kuantitatif & RND*. Bandung: Alfabeta.
- Sutisna, *Behavior Consumers & Communication, Pemasaran, PT Remaja Rosdakarya, Bandung, 2010*
- Timmerman E.M.,(2002), "Researching brand images: The nature and activation of brand representations in memory", PhD thesis, Amsterdam School of Communication Research (ASCoR), <https://hdl.handle.net/11245/1.208418>
- Tjiptono, Fandy. (2011). *Strategi Pemasaran*. Edisi 3. ANDI. Yogyakarta.
- Thaichon, P, Quach. T.N. & Lobo, A., (2013), "Marketing Communications: Factors Influencing Brand Loyalty Of Internet Service Provider". Australian and New Zealand Marketing Academy Conference (ANZMAC 2013), Auckland, New Zealand, 01-04 December 2013
- Thurau. H., T., Gwinner, K.P., Walsh, G., and Gremler, D.D.. 2004. "Electronic Word-of-Mouth via Consumer-Opinion Platforms: What Motivates Consumers to Articulate Themselves on the Internet?" *Journal of Interactive Marketing*, 18 (1): 38-52.
- Tong, X., & Hawley, J. M. (2009). Measuring customer-based brand equity: empirical evidence from the sportswear market in China. *Journal of Product & Brand Management*, 18(4), 262-271.
- Torlak, O., Ozkara, B.Y., Tiltay, M.A., Cengiz, H. &Dulger, M.F. (2014). "The effect of electronic word of mouth on brand image and purchase intention: An application concerning cell phone brands for youth consumers in Turkey". *Journal of Marketing Development and Competitiveness*, 8(2), 61-68.
- Wahid, N. A., & Ahmed, M. (2011). "The effect of attitude toward advertisement on Yemeni female consumers' attitude toward brand and purchase intention". *Global Business and Management Research*, 3(1), 21
- Wu ,W-P, Chan, T. S. and Lau, H. H. (2008). "Does consumers' personal reciprocity affect future purchase intentions". *Journal Of Marketing Management*, 24, 345-360.