

The Impact of Perceived Quality and Customer Value on Brand Commitment: A Mediating Role of Brand Trust Cookies Product of SMEs In Pasaman West Sumatera

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Abstract

The purpose of this study was to analyze (1) the effect of perceived quality on brand trust, (2) the effect of customer value on brand trust, (3) the effect of perceived quality on brand commitment, (4) the effect of customer value on brand commitment, and (5) the effect of brand trust on brand commitment. The population of this study was all cookies consumers of small medium enterprises (SMEs) in Pasaman West Sumatera. Therefore, the unknown amount of population, so the sample size is 76 units. The sampling technique used purposive sampling. Data collected in the form of primary data by using questionnaires. Before being used, the questionnaire was tested for validity and reliability. The data analysis technique used path analysis. The results of data analysis show that (1) perceived quality has a positive and significant effect on brand trust, (2) customer value has a positive and significant effect on brand trust, (3) perceived quality has a positive and significant effect on brand commitment, (4) customer value does not significant effect on brand commitment, and (5) brand trust has a positive and significant effect on brand commitment.

Keywords: Perceived quality, brand trust, customer value, brand commitment

Introduction

Brand commitment is one of the business and brand development determinants. Brand commitment describes customer commitment to a particular brand. A good brand will have customers who commit to always buy the product. High commitment ultimately causes them to be loyal to the brand concerned (Fullerton, 2005, 100). Today's competition, consumers are offered various types of cookies and cakes that they can easily obtain. This condition makes consumers have a high bargaining power so that their commitment to the brand becomes low. The more brand choices offered to consumers, the lower their switching costs, so the commitment to the brand decreases. On the other hand, each brand requires consumers who are committed and loyal so that the brand grows and develops.

According to Peteraf & Barney (2003), Customer will look for the more efficient product than competitor and will be create customer satisfaction. In the other words, if firms success to produce the more efficient product, they will be offering the cheaper price than competitor. Consumers also generally look for quality products with lower prices, as well as cookies. Customer commitment to the brand is not determined by loyalty to the region but on the advantages offered by the brand. This is a novelty of this research, which is to analyze the brand trust, perceived quality, and customer value of the local brand in Pasaman Regency produced by SMEs in the area.

Theoretical Background

a. Brand Trust

Trust refers to interpersonal relationships between consumers and employees that ultimately lead to consumer loyalty (company) (Guenzi and Georges, 2010; Sirdeshmukh et al., 2002). The results of

the study show that trust does not always create a close relationship between consumers and employees in creating loyalty. Some studies show there is a direct influence between trust and loyalty (Macintosh and Lockshin, 1997); some find indirect relationships (Sirdeshmukh et al., 2002); and there are those who find nothing to do significantly (Foster and Cadogan, 2000).

According to (Morgan and Hunt, 1994), brand trust is an important component of the success of relationship marketing (Garbarino and Johnson, 1999). In the context of consumer relations with brands, trust reflects reliability, honesty, and altruism (the importance of the interests of others) consumers with attributes (Hess, 1995). This is based on cognitive and effective elements (Delgado-Ballester et al., 2003). The cognitive dimension indicates the perception of the brand will find expectations and respect for their responsibilities (Chaudhuri and Holbrook, 2001); Affective dimensions are based on perceptions of honesty and altruism (Delgado-Ballester et al., 2003).

b. Perceived Quality

In general, brand quality is interpreted as a comprehensive evaluation of a brand, for example about its characteristics, reliability, resilience, and benefits (Agarwal and Teas 2001; Zeithaml 1988). Perceived product quality is important for both consumers and producers. Perceived Quality is a consumer's assessment of the superiority and excellence of a product (Zeithaml, 1998, 3). Product quality can be viewed from the extrinsic and intrinsic side given to consumers (Collins-Dodd and Lindley, 2003, 346).

Extrinsic includes price, brand name, packaging that is not part of the product itself. While intrinsic is shown from product attributes such as taste, shape, cleanliness, crispness, resilience, and others that are directly related to the brands offered to consumers (Richardson et al., 1994, 29). In terms of food products such as cookies, health and cleanliness is a very important dimension for consumers to buy the brand in the future.

c. Brand Commitment

Brand commitment is an important factor for brand success in the long run, because it can improve long-term relationships between consumers and customers and reduce losses due to different perceptions (Davis & Mentzer, 2008). Brand commitment describes the emotional and psychological relationship between consumers and certain brands (Fullerton, 2005). Brand commitment is shown through behavior and brand loyalty (Tuškej et al., 2013). Behavioral dimensions are described by buying brands repeatedly and loyal attitudes are shown through psychological touch on the brand (Tuškej et al., 2013).

Brand commitment is a psychological disposition that has an impact on positive attitudes towards the brand and the desire to maintain beneficial relationships with the brand (Chaudhuri and Holbrook, 2001; Evanschitzky et al., 2006). Commitment consists of two components, namely effective and continuous. Continuance of commitment stems from economic and psychological switching costs and alternative limitations (Fullerton, 2005, 101), for example based on consumer perceptions, no other brand is too difficult to find or switching costs too high (Evanschitzky et al., 2006; Fullerton, 2005). Effective brand commitment is more emotional, in the form of identification, core values, compassion and trust (Fullerton, 2005, 100). This Emotional and effective component affects consumer behavior (surviving, buying a brand, and positive word of mouth).

Commitment is an important and strong concept that is used to build relationships, trust, attitudes, and behavior towards the brand and long-term relationships with the brand (Hess & Story, 2005). Commitment arises from a combination of personal and functional characteristics in building brand relationships with customers. Commitment is generally interpreted as a desire and will to continue the relationship with the brand. In the context of the brand, commitment is defined as the strong desire of consumers to maintain good relations with brands (Morgan & Hunt, 1994). Commitment has a significant role in strengthening loyalty and encouraging long-term relationships with a brand or business (Evanschitzky, Iyer, Plassmann, Niessing, & Fertility, 2006).

Brand commitment consists of the economic, emotional, and / or psychological touch of consumers towards a brand (Evanschitzky et al., 2006). Researchers distinguish 2 types of commitments namely emotional and economic (Belaid & Behi, 2011; Evanschitzky et al., 2006). Emotional forms are named

effective commitments, and economics are called calculative commitments. Affective commitment is based on preferences in maintaining relationships with brands and in the development of emotional matters. (Belaid & Behi, 2011; Evanschitzky et al., 2006).

d. Customer Value

Customer value is intended as a comparison of what customers receive with what is given to get a brand (product) (Lai et al., 2009; Shirin & Puth, 2011; Tam, 2012). Value can take the form of quality, quantity, time spent, price, brand name, design, social outlook, excitement, experience, knowledge, self-respect, security, and comfort obtained from a brand (product) (Bell, 2009). Whittaker, Ledden, and Kalafatis (2007) state that value is what customers receive depending on the type of product, situation, experience, with the product and the characteristics of the customer. Therefore the value is a subjective view of the customer (Zeithaml, 2000).

Furthermore Zeithaml (1988) states that there are four determinants of perceived value, namely low prices, the value of products that are in accordance with the wishes of consumers, the value of the quality of the brand purchased, the value of what is received other. Value can be divided into functional and symbolic values (Chen & Hu, 2010; Zeithaml, 1988). Functional values include general evaluations of quality and value of money (Lai et al., 2009). Functional value is a comparison of the quality of a product with the price paid and time spent (Zeithaml, 1988). Symbolic values are drawn as overall perceptions related to community, sentiment, aesthetics, and brand reputation (products) (Chen & Hu, 2010). Symbolic value concerns the attention of consumers about the opinions of others, perceptions of pleasure, likes, and experiences of consuming brands (products) (Solomon, 1983).

Method

This research was conducted in Pasaman Regency, West Sumatra Province in 2018. The study population was all customers from 3 groups of SME producers of cookies (cookies), namely the Borkat manian group, Bunga Rampai and Muti. Population size is unknown so sample size cannot be determined using random. The sample size of 76 customer units was drawn by purposive sampling. For Borkat Manian SMEs, 28 units were withdrawn, 26 units from Bunga Rampai and as many as 22 sample from Muti. Data collected in the form of primary data obtained directly from customers of the three groups of SMEs. Data collection techniques using a questionnaire. The questionnaire used previously was tested for its validity and reliability. The research variables consisted of perceived quality with 12 indicators. Then the brand trust variable has an indicator of 12 items, the customer value has 4 items and the brand commitment indicator is 4 items. Methods of analyzing data using path analysis using Eviews as an analysis tool.

Results and Discussion

Based on the results of data analysis, it is known that the perceived quality cookies produced by SMEs in the research object are generally good because 80.69% of customers state that their cookies are of high quality. This means that in general, customers state that the quality of cookies they bought from SMEs is relatively good, although there are still some weaknesses such as unattractive forms, bad packaging, and limited types of variations. The level of customer trust in the cookies produced by SMEs is quite high, because as many as 78.22% of customers stated that they believed that the cookies they bought were clean, healthy, made of quality raw materials and trusted the producers, but these cookies had not been certified halal and SNI so as to reduce customer trust. A total of 78.88% of customers stated that the cookies produced by SMEs provided good value. This is because it tastes good, fragrant, crispy and refreshing. Furthermore, as many as 78.09% of customers who have already bought say they will buy again, will continue to invite other people to buy and promote the brand to others.

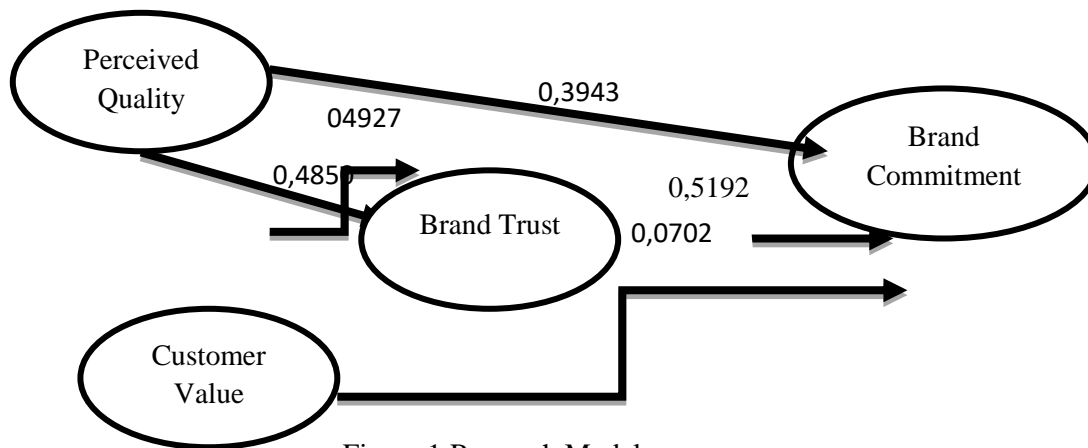


Figure 1: Research Model

Discussion of research results

a. Effect of perceived quality on brand trust

Perceived quality has a positive and significant effect on brand trust cookies. This means that the quality of products perceived by customers determines the customer's trust in cookies produced by SMEs in Pasaman Regency. If you want to increase the brand trust of the product cookies that are produced, then small entrepreneurs have to be continually improve the quality of their products. Product quality describes the suitability of product performance with the prevailing standards and also the suitability of product performance to the customer's desires. Product quality can be improved by making the product cleaner, healthier, long-lasting, refreshing and other scents. Product quality can also be improved by adjusting the product to the development of target consumers desires. Therefore information about customer needs and desires is very important to learn. Based on the results of the study, it was found that there were several weaknesses in the perceived quality product, namely the unattractive form, the bad packaging, and the limited variety of types. By improving the shape, packaging and adding types or variations of products, the brand value is getting better. The perceived quality coefficient is 0.4927 and it is greater than customer value. This means that perceived quality is the biggest factor in increasing brand trust.

b. The effect of customer value on brand trust

Customer Value has a positive and significant influence on brand trust. The results of this analysis show that the value received by customers of cookies has a big influence on brand trust. This condition is estimated because the benefits of cookies can increase or decrease customer trust in the product brand itself. Customer value is an important part in shaping consumer trust in the brand. Customers of cookies are very concerned about the value of a product, especially food such as cookies. The customer value variable coefficient is smaller when it compared to perceived value, which is only 0.4850. Thus perceived value gives a greater influence in the formation of brand trust.

c. The effect of customer value on brand commitment

Customer value is the product's ability to provide benefits to its customers. Benefits that can be given in at least four forms, namely product value, service value, personal value and image value. Based on the hypothesis test it is known that Customer value has a not significant effect on brand commitment.

From the results of the data analysis illustrated that the customer value is quite good because 78.89% of customers stated that the products of cookies they buy have good taste, fragrant, crisp and refreshing. But these customer value cookies can still be improved, especially about cookies that are more crunchy and soft so they are easily bitten. The results of data analysis show that the customer value variable coefficient is 0.0702, this shows the magnitude of the effect of customer value on the commitment line. However, when compared with the coefficients of perceived quality and brand

trust, the magnitude of the customer value coefficient is the smallest and does not have a significant effect.

d. Effect of perceived quality on brand commitment

Perceived quality describes the ability of a product to provide benefits to its customers compared to the sacrifices they make to obtain the product. Based on the hypothesis test, it is known that Perceived quality has a positive and significant influence on brand commitment. That is, Perceived quality has a significant effect on increasing customer brand commitment. The better the quality the customer receives, the stronger the brand commitment will be lifted. From the results of the study, it was found that 80.69% of customers stated that the cookies produced were of good quality. Thus there are still opportunities to continuously improve the quality of cookies produced so that the customer's brand commitment continues to increase. The magnitude of the perceived quality path coefficient is 0.3943 and the largest compared to the three other causal variables. This condition indicates that the role of perceived quality is very important in influencing brand commitment. If the brand commitment wants to be improved, the biggest determining factor is the improvement in the quality of the product cookies produced.

e. The influence of brand trust on brand commitment

Based on the results of hypothesis testing it is known that Brand trust has a positive and significant influence on brand commitment. It means that brand trust has a significant influence on brand commitment. The more trusted the cookies brand produced by SMEs, the higher the customer commitment to the brand. Therefore brand cookies must be built with emphasis on honesty, both the contents, the scales, the information and the prices of cookies sold. If the brand is not honest, the customer does not commit and ultimately the brand is abandoned by the customer. The brand trust variable path coefficient is 0.5192, which is greater than customer value and perceived quality. Thus the role of brand trust to build brand commitment is very high.

Conclusions

Based on the results of the study, it can be concluded that perceived quality, brand trust, customer value cookies produced by SMEs in Pasaman Regency are relatively good. Perceived quality and customer value have a positive and significant influence on brand trust. Perceived quality and brand trust have an influence on brand commitment. However, customer value does not have a significant influence on brand commitment.

Recommendation

The results of the study show that brand trust has the biggest influence on brand commitment. Therefore, consumer trust needs to be increased so that brand commitment is higher. To build brand trust, SMEs need clear information about their products such as ingredients, halal certification and registered with the POM. Besides that, the perceived quality also has a major influence on brand commitment, therefore to improve brand commitment several things need to be improved about the cookies quality of SMEs production, among others, taste, texture, packaging, brand, cleanliness and conformity with the tastes of the younger generation.

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