

Brand Credibility vs Brand Image: A Case Study of Gojek Customers' Loyalty

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Abstract— The present study aims to determine the influence of brand credibility on brand image as well as investigate the effect of brand credibility and brand image on the customer loyalty. The study was conducted to Go-Jek brand operated at a district in Indonesia. To achieve the objective, the study utilized descriptive and verificative approach. The study involved 100 respondents who were selected by using purposive sampling technique. The data were collected through library studies and observations. The data were analyzed by using path analysis with the SPSS V20 program. The results showed that the brand credibility affects brand image and partially affects customer loyalty. This shows that the higher the brand's credibility, the higher the brand image that will form in the minds of customers. Conversely, the lower the brand's credibility, the lower the brand image that will be inherent in the minds of customers. The results of this study are expected to contribute to further research or become additional information for the academics and the Go-jek company itself.

Keywords—Brand Credibility, Brand Image, Customer Loyalty

I. INTRODUCTION

Current technological developments provide a new chapter in the journey of human life. Automation, Robotic, Telecommunication, Internet and others are some of the proofs of the real progress in the field of technology [1, 2]. Internet is one of the perfect markets in which all information can be easily accessed and customers can compare products offered by sellers around the world. The large use of internet-based technology provides benefits for online companies that are constantly increasing [3–5]. Internet is completely present in human life and it is unwittingly very helpful in almost everything including activities such as paying the bills, buying phone credit and internet packages, and etc. Today, people get even more spoiled by the existence of online transportation services. Online transportation business views the integration between human activities and information technology and the economy which keeps increasing.

At present, transportation in Indonesia grows rapidly. This is due to the fact that there is a large number of people who start using online transportations either cars or motorbikes to facilitate their activities [6, 7]. One of the online-based transportation businesses that feel the intense competition at the moment is *Go-Jek*. It is an online transportation service company that was founded in 2010 and is now spread throughout Indonesia including Garut Regency. The emergence of the large number of similar companies which

offer many different services makes the competition even tighter [8 – 10].

TABLE I. NATIONAL BRAND INDEX OF BEST ONLINE TRANSPORTATION SERVICES

Online Transportation Services			
Brand	TBI (2016)	TBI (2017)	TBI (2018)
<i>Go-Jek</i>	80,8%	59,2%	44,9%
<i>Grab</i>	14,7%	28,2%	48,0%
<i>Uber</i>	1,7%	8,0%	
<i>Blue-Jek</i>	0,7%	0,3%	

Source: Top Brand Award (2016, 2017, 2018)

Based on Table 1.1, Go-jek experienced a percentage decrease in 2017 and a very drastic experience in 2018 where *Go-Jek's* position was under the *Grab* company. The next problem that can reduce the level of customer loyalty *Go-Jek* is related to brand credibility, where there is information about the brand of the company that is not appropriate or does not fulfil the promises that have been applied to the brand so as to reduce customer trust in the brand. One of them is location determination which is sometimes not in accordance with the specified point and Go-food purchasing service which is sometimes not in accordance with the order, thereby reducing consumer confidence in the information that has been promised on the company's brand. These results can be seen clearly the existing problems relating to customer loyalty to *Go-Jek*. To be able to compete with other online transportation competitors, it is necessary to identify various factors that can affect the customer loyalty which influences the continuity of the customers in using the services of *GoJek* brand [8, 11, 12]. Therefore, this study attempts to investigate the factors that can encourage customer loyalty including brand credibility and brand image.

II. MATERIAL AND METHOD

A. Material

1. Brand Credibility

Brand credibility is a key element in customer-based brand equity pyramid [13], representing one aspect of the consumer's response to the brand. This is consistent with the other experts's conceptualization of brand credibility in which brand credibility represents the relationship over time of a customer with a brand [14-16]. Brand credibility is defined as trust in the product or service information contained in a

brand. It makes the customers understand that the brand has trust (i.e. excellence) and expertise (i.e. ability) to continuously provide what has been promised [17, 18].

2. Brand Image

Branding is a marketing strategy which is used by marketers to differentiate their products from the competitors [18, 19] Image is “the set of beliefs, ideas, and impressions that a person holds regarding an object”. Brand image is a collection of perceptions and trust held by the consumers towards a referenced brand which results from the associations that are in the customer’s memory [20, 21]. In other words, brand image can be defined as the perception that arises in the customer’s mind when a customer remembers the brand of a particular product or service. Dimensions of brand image, according to Keller (2013), are as follows:

- 1) Brand association is related to customer’s memory of the brand.
- 2) The strength of brand association depends on the brand information on customer’s memory and how the information is maintained as a part of brand image.

- 3) Favorability of brand association is made to convince customers or potential customers that a brand has benefits and can meet their needs and desires so that it may create a positive brand image.
- 4) Uniqueness of brand association is a level of brand uniqueness that has competitive and continuous benefits which can make consumers become interested in using the brand.

3. Customer Loyalty

Loyalty is related to a behaviour that involves routine purchases [8, 22, 23]. Loyal customers will generally buy the brand even though there are many alternative products or services that offer superior quality [8, 22, 24]. The dimensions of customer loyalty [20, 25] are as follows:

- 1) Repurchase is a repurchasing activity on the product or service used.
- 2) Retention is a customer rejection on the products and services other than those of used.

Referral is an activity of providing information and recommendations to others to use the same product or service. The aforesaid research paradigm can be illustrated in Figure 1



Fig. 1. Research paradigm

B. Method

This research uses descriptive and verification methods. Descriptive method in this study is used to describe the variables of brand credibility, brand image and customer loyalty in the *Go-Jek* application by distributing questionnaires to customers, so that the results can produce data. This verification method is used to determine the effect of Brand Credibility on Brand Image and its impact on Customer Loyalty. In analyzing the data in this study, namely by using path analysis which is a method used to measure the influence between variables using SPSS and using a questionnaire as a data collection tool. The total sample is 100 respondents who are *Go-Jek* application customers in Garut Regency. Samples were selected using a purposive sampling technique with predetermined criteria.

III. RESULTS AND DISCUSSIONS

A. Descriptive Analysis

1. Brand Credibility

Brand credibility variable consists of two dimensions, namely trust and expertise. The analysis on brand credibility showed that the brand has good criteria. This means that *Go-jek* has fulfilled what has been promised by providing appropriate services making the customers trust *Go-jek* application.

2. Brand Image

Brand image variable consists of 4 dimensions, namely brand association, favorability of brand, strength of brand and uniqueness of brand. The results of brand image analysis indicated that the brand has good criteria. Customers view

that *Go-jek* is able to meet their needs and desires. Moreover, most of the people recognize *Go-jek* application better than other online transportation applications.

3. Customer Loyalty

Customer loyalty variable consists of 3 dimensions, namely repurchase, referral and retention. Based on the results of customer loyalty analysis, it can be concluded that the brand has good criteria. This means that the customers are more likely to use *Go-jek's* online transportation application than other online transportation applications. However, in the future many customers will probably move to other online transportation applications that attract customers’ attention.

B. Path analysis

• The Effect of Brand Credibility on Brand Image

Based on the results of path analysis shown in table 1, beta coefficient value is 0.693 (69.3%), the probability value is 0.000 (Sig <0.05), and the $t_{observed}$ value is 9.516 which is higher than $t_{critical}$ 1.984. The results indicated that brand credibility has a significant effect on brand image. This means that when what is promised on a brand has been given, it will provide a good brand image to the company.

TABLE II. THE RESULT OF PATH ANAYSIS

Variables	Beta	$t_{observed}$	Sig.	Decision
X → Y	0,693	9,516	0,000	Accepted
X → Z	0,651	7,730	0,000	Accepted
Y → Z	0,652	8,508	0,000	Accepted
$t_{critical} = 1,984$				

• *The Effect of Brand Credibility on Customer Loyalty*

The results of path analysis presented in table 1 showed that beta coefficient value is 0.651 (65.1%), the probability value is 0.000 (Sig <0.05) and the $t_{observed}$ value is 7.730 which outscores $t_{critical}$ value 1.984. These results explain that brand credibility has a significant effect on customer loyalty. This means that if the company gives what is promised on a brand, it will provide satisfaction to customers, leading to customer loyalty on a brand.

• *The Effect of Brand Image on Customer Loyalty*

The results of the path analysis in table 1 indicated that the beta coefficient value is 0.652 (65.2%), the probability value is 0.000 (Sig <0.05) and the $t_{observed}$ value is 8.5008 which is higher than $t_{critical}$ value 1.984. It means that brand image has a significant effect on customer loyalty. The customers' perceptions of a brand can affect the degree of their loyalty on the brand.

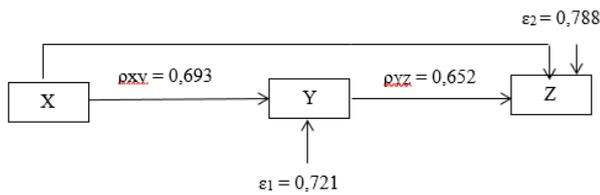


Fig. 2. Path Analysis Result Diagram

IV. CONCLUSION

After conducting research on the effect of brand credibility on brand image and its impact on customer loyalty in the Go-jek Application, the researchers concluded that brand credibility affects brand image. This shows that the higher the brand's credibility, the higher the brand image that will form in the minds of customers. Conversely, the lower the brand's credibility, the lower the brand image that will be inherent in the minds of customers. In addition, brand credibility affects customer loyalty. This shows that good brand credibility can increase customer loyalty in the Go-jek application in Garut Regency. In addition to brand credibility, brand image also influences customer loyalty. This means that the company's brand image in the minds of customers will greatly affect the level of customer loyalty. Regarding brand credibility, the Go-jek company is expected to continue to provide services and trust in what the Go-jek brand has promised, so that it will remain the customer's transportation of choice. Brand image is a perception formed in the customer's memory. It is hoped that the Go-jek company will continue to provide good performance and comfort for customers to keep a good image in customer expectations. Each study does not escape the limitations, it is hoped that in future studies it can add samples that will be used as respondents, so they can find out more developed results. then in subsequent studies by adding other variables that can affect the Brand Image variable and have an impact on customer loyalty.

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