

Original Article

Does Brand Experience and Brand Image Effects on Brand Loyalty?

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Abstract: Finding out how brand experience and brand image affect brand loyalty for Bali's local coffee brand, Kupu-Kupu Bola Dunia, is the aim of this study. Explanatory research is the research methodology. The approach to evaluation used in this study is quantitative. This study used a population of 100 respondents from the community in Bali who had consumed local coffee, Kupu-Kupu Bola Dunia. With the aid of SmartPLS software, the data analysis method employed in this study was Partial Least Square (PLS). As demonstrated by the study's findings, loyalty is positively and significantly impacted by both the brand experience and brand image variables. Management needs to conduct periodic evaluations of their marketing strategies and brand images based on customer feedback. Adjusting strategies that are responsive to customer needs and preferences will increase satisfaction and loyalty.

Keywords: Brand Experience, Brand Image, Brand Loyalty, Brand Trust.

I. INTRODUCTION

The business world is changing and developing rapidly lately. Indirectly, we are required to be able to take advantage of these developments and changes in our daily lives. The effect of the emergence of contemporary goods and services is very large, such as the emergence of goods and services with various benefits and privileges. This is a challenge in itself because there is more competition in the business world when more products and services are available. When there is strong competition, consumers are very susceptible to changing their preferences. Therefore, in order to maintain their business and attract new customers, business actors must understand changes in consumer behavior and produce or sell excellent goods with extraordinary service and continuous innovation. (Kaura, 2015) The extent to which a service meets customer demand or expectations also affects service quality. Customers who receive high-quality service are more likely to want to repurchase a good or service, are less sensitive to price, and promote it to others (Akroush et al., 2016). The condition of the food and beverage business has changed a lot. It previously sold a menu of food and beverage products, but now it has become a strategy that offers various services. According to (Jin et al., 2012), this has given rise to new social and cultural phenomena. Restaurants not only function as a place to eat and drink but are also used to gather, socialize, exchange ideas, build networks, and even become a place for business meetings between executives of different companies. Therefore, it can be said that the habit of eating and drinking outside the home has become an inseparable part of modern society, including coffee. Local coffee in Bali, especially Kintamani Coffee, has become one of the leading commodities that attracts the attention of many coffee lovers both domestically and internationally. Planted in the Kintamani highlands, this coffee is known for its unique taste, combining fresh citrusy nuances and soft chocolatey touches. The environmentally friendly planting process, where coffee trees are planted side by side with orange and vegetable gardens, provides a distinctive aroma characteristic and low acidity. The traditional processing method that is still maintained by local farmers ensures that each coffee bean maintains its best quality. With Geographical Indication certification in 2008, Kintamani Coffee is not only a local pride but has also penetrated the export market to various countries, making it a symbol of Bali's cultural heritage and local wisdom in the world of coffee.

Kopi Bali Kupu-Kupu Bola Dunia, produced by the legendary Bhineka Djaja coffee shop, has become one of Bali's coffee icons since its establishment in 1935. Located in Denpasar, the shop not only offers a variety of high-quality coffees, including Arabica and Robusta, from various regions in Indonesia, such as Kintamani and Toraja but also provides a unique experience for visitors with a classic atmosphere filled with antique displays. With prices ranging from IDR 10,000 per cup to IDR 110,000 per kilogram of coffee beans, the shop attracts both local and international tourists. Customers also have the opportunity to create their own coffee blend, making each visit more personal and interesting. The distinctive aroma and authentic taste of the coffee make Kupu-Kupu Bola Dunia not just a place to enjoy a cup of coffee but also a part of Bali's rich cultural heritage.

Brand experience is a concept that refers to the overall interaction and experience that consumers have with a brand. It encompasses all aspects that can effect consumers' perceptions and attitudes towards the brand, from product design and



marketing communications to the physical environment in which the product or service is offered. According to Brakus, Schmitt, and Zarantonello (2009), brand experience includes four main dimensions: sensory, emotional, intellectual, and behavioral. Each of these dimensions contributes to how consumers perceive and feel the brand, thus shaping their loyalty and preferences.

When compared to the particular experiences examined in customer experience research, brand experience gauges how strong each aspect of the experience created by the brand is. Since a distinctive brand experience will provide a long-term competitive advantage in the restaurant business, it is crucial to gauge experience based on the brand rather than merely the viewpoint of the client (Aaker, 2015).

II. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

According to experts (Kotler, 2016), brand image is a consumer's view of a brand as a reflection of the associations in the consumer's mind. Brand image is the relationship that people have when they think of a particular brand. These associations can simply be manifested as certain ideas and perceptions associated with a brand. Marketers often believe that brand image, or the outward cues of a product, are the basis for how people evaluate the quality of a good or service. In addition, brand image can be viewed as the practical qualities of goods and services that effect consumers' self-reflection and purchasing choices.

Brand Loyalty is considered in marketing literature as a way for customers to show their pleasure with the performance of the goods or services they have received, so brand loyalty is a very significant component in business. Brand loyalty, according to (Nagalingam et al., 2014), is a consumer's promise to regularly repurchase a particular brand in the future, regardless of circumstances or other brand marketing initiatives that may affect the consumer to switch brands. Brand experience has a very large effect on consumer or brand loyalty. Experience is seen as the result of a stimulus that causes feelings of pleasure towards a particular brand. The pleasure that continues to increase in this situation becomes the drive to develop satisfaction, which will result in behavior that repeats the experience. (Kim et al., 2021) argue that brand experience not only has positive implications for satisfaction but also has implications for customer loyalty. Loyalty to a particular company is shown by the willingness to buy the company's products, recommend them to others, and firmly refuse to switch to another company. Positive feedback about the Brand Experience will have a positive effect on brand loyalty. Based on previous research (Kim et al., 2021) shows that brand experience has a significant effect on brand loyalty. The findings of this study are consistent with studies on the relationship between customer experience and brand loyalty by Huang (2017), which demonstrates an important and beneficial connection between the two.

H1: Brand experience has a positive and significant effect on brand loyalty

Forming an image is not easy, so when it is formed, it will be difficult to change it. Additionally, the image created needs to be distinct and offer advantages over its rivals. (Millenia & Pantro Sukma, 2022) stated that brand image is an association that appears in the minds of consumers when remembering a particular brand, which can make consumers have a positive or negative perception of the brand if the better the image of a brand, the higher the level of trust in the brand and if the better the brand image of a brand or service, the higher the level of loyalty to the brand (Trifena & Hidayat, 2018). Based on previous research by (Millenia and Pantro Sukma, 2022) showed that brand image has a significant effect on brand loyalty. The results of this study are in line with research conducted by (Trifena and Hidayat, 2018) on the relationship between the effect of brand image on brand loyalty, which shows a positive and significant effect between brand image and brand loyalty.

H2: Brand Image has a positive and significant effect on Brand Loyalty

III. METHODS

Explanatory research is the type of research used in this study because, based on the variables studied, this research is a type of descriptive verification research. Explanatory research, according to (Sugiyono, 2017: 6), seeks to clarify the perspective of the variables under study as well as the connections between them.

Data collection was carried out using research methods, and data analysis was quantitative in nature with the aim of testing the hypothesis. The population in this study was people who had consumed Local Coffee with the Kupu-Kupu Bola Dunia Brand. Samples were taken in a certain way or consideration. Determining the size of the sample, according to (Ferdinand, 2014), demands at least five times as many indicators, and the minimum sample size needed for the modeling is at least 100; hence this study's minimum sample size was 100 respondents. Simple linear regression analysis was employed as the method of data analysis.

IV. RESULT AND DISCUSSION

A) Results of the Determination Coefficient Test

The R-Square method is used in Table 1 to test the effect of these factors, brand experience and brand image, on brand loyalty.

Table 1. R Square Results

Model	R Square	R Square Adjusted
Brand Loyalty	0,750	0,601

Data Primer, 2024

The R-Square method is used in Table 1 to test the effect of these factors, brand experience and brand image, on brand loyalty. Based on the information in Table 1, it is known that brand experience and brand image have a variable effect on brand loyalty of 0.750 or 75%, while the remaining 25% is influenced by other factors outside this study.

B) Hypothesis

The results can be used to answer the research hypothesis based on data analysis. The results of the t Statistic and P-value can be used to determine the results of the hypothesis test in this study. If the P-value <0.05, then this hypothesis is considered true, but if the p-value > 0.05, then the variable does not have a real effect.

Table 3. Hypothesis Results

Variable	t-value	Sig. Value	Result
Brand experience on brand loyalty	3.159	0.009	Accepted
Brand Image on brand loyalty	3.245	0.001	Accepted

Data Primer, 2024

C) Brand Experience on Brand Loyalty in The Local Coffee Brand Kupu-Kupu Bola Dunia

The results of the study show that both brand experience and brand image have a positive and significant effect on brand loyalty. For the first hypothesis (H1), the t value of 3.159 with a p-value of 0.009 indicates that brand experience significantly affects brand loyalty, which means that the better the experience received by consumers, the higher their loyalty to the brand.

(Kim et al., 2021) argue that brand experience has consequences for customer loyalty and satisfaction in addition to having beneficial effects on both. Readiness to use a company's products, recommend them to others, and firmly refuse to switch to other products are signs of loyalty to the business.

D) Brand Image on Brand Loyalty in The Local Coffee Brand Kupu-Kupu Bola Dunia

Likewise, for the second hypothesis (H2), the t-value of 3.245 with a p-value of 0.001 indicates that brand image also contributes significantly to brand loyalty. This confirms the importance of a positive image in building a long-term relationship between consumers and brands.

The study's findings (Jin et al., 2012) demonstrated that the atmosphere of the restaurant and the caliber of the food have a favorable impact on customer satisfaction and brand image. Consumer happiness is impacted by pricing fairness judgments, while the brand image is unaffected. In full-service restaurants, building a positive customer brand image influences loyalty rather than satisfaction, and the relationship between restaurant experience and brand image perception is moderated by consumer dining motives.

V. CONCLUSION

The results of this study indicate that both brand experience and brand image have a positive and significant effect on brand loyalty. With t-values of 3.159 and 3.245, respectively and a p-value of less than 0.05, both hypotheses can be accepted. This confirms that improvements in brand experience and image will contribute directly to increased consumer loyalty to the brand.

A) Managerial Implication

Companies need to develop marketing strategies that focus on improving customer experience, such as better service, more personal interactions, and product innovation. In addition, brand image must be strengthened through effective branding campaigns that reflect the company's positive values and competitive advantages. Another implication of this study is the importance of understanding consumer needs and expectations. Companies must conduct regular market research to gain insight into customer preferences and tailor products and services to match these expectations, thereby creating a more satisfying brand experience. Investing in branding activities that can enhance brand image is essential, including the use of social media, collaboration with effects, and CSR (Corporate Social Responsibility) activities that are relevant to the values of the target market. This will not only strengthen brand image but also increase consumer loyalty in the long term.

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