

Analysis of The Influence of Brand Awareness and Customer Satisfaction on Corporate Image and Its Impact on Customer Loyalty on Laurier Products PT. Kao Indonesia

Khairil Anwar

International Marketing, School of Business Management, BINUS University

Jl. Kebon Jeruk Raya No. 27 Kebon Jeruk, Jakarta Barat 11530, Indonesia

Anwarhairil@icloud.com

Abstract

This study aims to look at the effect of brand awareness and customer satisfaction to the corporate image and its impact on customer loyalty in product Laurier PT Kao Indonesia. Customer Loyalty is one of the core objectives pursued in modern marketing. This is due to the loyalty of the company will get profitability expected in the long term. This study uses a quantitative approach and involves 52 respondents in villages Cikoko as samples collected by using probability sampling and simple random sampling. Processing data using SPSS 24 and the results of this study showed that brand awareness, customer satisfaction and corporate image have a significant effect on customer loyalty.

Keywords: brand awareness, customer satisfaction, corporate image, customer loyalty.

1. INTRODUCTION

The Industrial World is facing a new era of increasingly fierce global competition, caused by globalization. Globalization is driven by rapid advances in technology, politics, culture, trade liberalization, and other factors. One of the most popular and leading global companies is PT Kao Indonesia from Japan.

Kao Company started as a domestic soap manufacturing company in 1887 by Mr. Tomiro Nagase in Japan. At first Mr. Tomiro Nagase and his company only sold goods but did not produce. Until 1890 Mr. Nagase Shoten began trying to produce Kao Sekken exclusive soap which became the first product for Nagase Sekken. The beginning of Kao Company established the company in Indonesia in 1977 located at Jl. MT. Haryono kav. 39 - 40 Jakarta 12770 Indonesia.

PT Kao Indonesia continues to work hard to promote its products to create awareness, attract consumers to make purchases, maintain product quality, provide customer satisfaction to

gain loyalty and profitability in the long term. A good marketing strategy will certainly provide positive results for the company. At the peak of the marketing strategy, if all marketing strategies have been carried out properly, what emerges is Customer Loyalty.

Boulding in Ali Hasan (2011: 5) suggests that the occurrence of consumer loyalty is caused by the influence of customer satisfaction and dissatisfaction with the brand that accumulates continuously in addition to perceptions of product quality. In addition to customer satisfaction that supports the achievement of customer loyalty, brand awareness and corporate image also contribute to the achievement of optimal customer loyalty. Where in its understanding, corporate image is a set of beliefs and feelings about an organization or company (Dowling, 1988. Leaniz, 2016).

According to Barnes (2006), the ultimate goal of marketing is to achieve a level of customer satisfaction. In fact, a lot of attention has been paid to "total" satisfaction lately, which implies that achieving partial satisfaction is not enough to keep customers loyal and coming back for more. Customer loyalty is also influenced by consumer awareness of the product brands sold by the company (brand awareness). According to Surachman (2008) Brand Awareness is the ability of a prospective buyer to recognize or recall that a brand is part of a certain product category.

2. RESEARCH PURPOSE

The purpose of this study was to determine how Brand Awareness directly affects Corporate Image (T1). To determine how Customer Satisfaction directly affects Corporate Image (T2). To determine how the direct and simultaneous influence of Brand Awareness and Customer Satisfaction on Corporate Image (T3). To determine how the direct effect of Brand Awareness on Customer Loyalty (T4). To determine how the indirect effect of Brand Awareness on Customer Loyalty through Corporate Image (T5). To determine how Customer Satisfaction directly affects Customer Loyalty (T6). To determine how Customer Satisfaction indirectly affects Customer Loyalty through Corporate Image (T7). To determine how Corporate Image directly affects Customer Loyalty (T8).

To determine how the direct and simultaneous influence of Brand Awareness, Customer Satisfaction, and Corporate Image on Customer Loyalty at PT Kao Indonesia (T9).

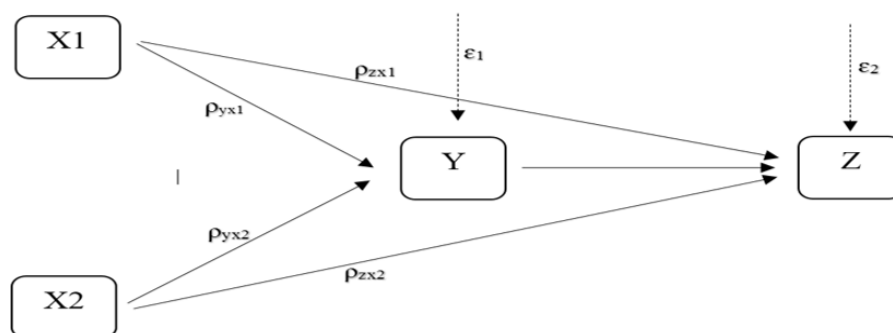
3. RESEARCH METHODOLOGY

The research design used is associative research. Associative research is more about analyzing the relationship where the independent variable affects the dependent variable. The research method carried out by researchers is Quantitative, the intended unit is consumers who have randomly purchased PT Kao Indonesia products and information is only collected once at a certain time or also called cross-sectional.

Collecting data and information needed in the study using a questionnaire. The population in the study were customers of PT Kao Indonesia laurier products in Cikoko village, Pancoran, South Jakarta, totaling 63 residents and with the Slovin formula, a sample of 52 respondents was obtained. The sampling technique used is the Krecjie table. The principle of selection in sampling in this design is that each element in the population has the same opportunity to be selected.

4. RESULTS AND DISCUSSION

Before continuing the analysis of correlation analysis between variables X1, X2, and Y, the structure of the causal relationship between the variables of brand awareness (X1), customer satisfaction (X2), corporate image (Y), and customer loyalty (Z) will be shown in Figure 1 below.



Picture 1. Complete Relationship Structure of X1, X2, and Y
Source: Researcher, 2017

In analyzing the effect of brand awareness (X1) and customer satisfaction (X2) on corporate image (Y) and its impact on customer loyalty, a model will be described which is then called a correlation. To find out the correlation between variables X1, X2, Y and Z. using the SPSS 24 program with the calculation results summarized in Table 2 as follows.

Correlations				
	BA (X1)	CS (X2)	CI (Y)	CL (Z)
BA (X1)	Pearson Correlation	1	.473*	.739**
	Sig. (2-tailed)		.000	.000
	N	100	100	100
CS (X2)	Pearson Correlation	.473*	1	.741**
	Sig. (2-tailed)	.000	.000	.000
	N	100	100	100
CI (Y)	Pearson Correlation	.739**	.741**	1
	Sig. (2-tailed)	.000	.000	.000
	N	100	100	100
CL (Z)	Pearson Correlation	.665*	.836**	.699**
	Sig. (2-tailed)	.000	.000	.000
	N	100	100	100

*. Correlation is significant at the 0.05 level (2-tailed).

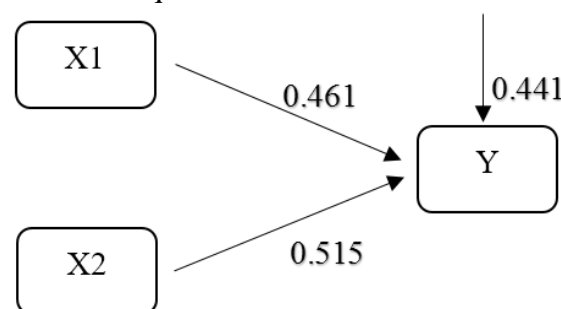
** Correlation is significant at the 0.01 level (2-tailed).

From the correlation results with data processing using SPSS 24 in table 3, it can be summarized in table 4 below:

No.	Variabel Correlation	Value	Relationship
1	Brand Awareness (X ₁) and Corporate Image (Y)	0.739	Strong and Directional
2	Customer Satisfaction (X ₂) and Corporate Image (Y)	0.741	Strong and Directional
3	Brand Awareness (X ₁) and Customer Loyalty (Z)	0.665	Very Strong and Directional
4	Customer Satisfaction (X ₂) and Customer Loyalty (Z)	0.836	Strong and Directional
5	Corporate Image (Y) and Customer Loyalty (Z)	0.699	Strong and Directional

Table 4. Summary of Correlation Analysis Results
Source: SPSS 24, 2016

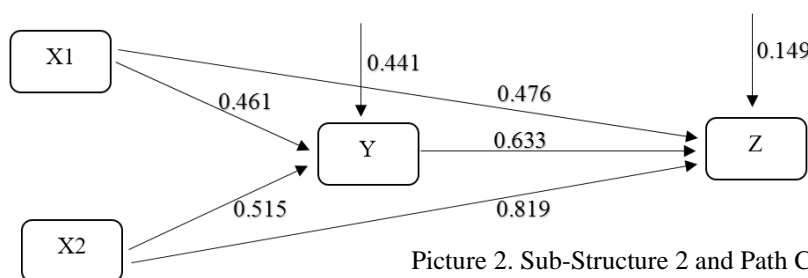
$$\text{Structure Equation 1 } Y = 0.461x_1 + 0.515x_2 + 0.441\varepsilon_1$$



Picture 1. Sub-Structure 1 and Path Coefficient
Source: Data Analysis, 2017

The results of Path Analysis Sub Structure 1 can be explained as follows. The contribution of Brand Awareness (X1) which directly affects Corporate Image (Y) is $0.4612 = 0.212$ or 21.2%. The contribution of Customer Satisfaction (X2) which directly affects Corporate Image (Y) is $0.5152 = 0.265$ or 26.5%. The contribution of Brand Awareness (X1) and Customer Satisfaction (X2) which simultaneously directly affects Corporate Image (Y) is $R^2_{\text{square}} = 0.559 = 55.9\%$. The remaining $0.441 = 44.1\%$ is influenced by other factors that cannot be explained in this study.

$$\text{Sub Structure Equation 2 } Z = 0.467x_1 + 0.819x_2 + 0.633y + 0.149\epsilon_2$$



Picture 2. Sub-Structure 2 and Path Coefficient
Source: Data Analysis, 2017

The results of Path Analysis Sub Structure 2 can be explained as follows. The contribution of Brand Awareness (X1) which directly affects Customer Loyalty (Z) is $0.4762 = 0.226$ or 22.6%. The contribution of Brand Awareness (X1) which indirectly affects Customer Loyalty (Z) through Corporate Image (Y) is $0.9242 = 0.853$ or 85.3%. The contribution of Customer Satisfaction (X2) which directly affects Customer Loyalty (Z) is $0.8192 = 0.670$ or 67%. The contribution of Customer Satisfaction (X2) which indirectly affects Customer Loyalty (Z) through Corporate Image (Y) is $1.1442 = 1.307$ or 130.8%. The contribution of Corporate Image (Y) which directly affects Customer Loyalty (Z) is $0.6332 = 0.400$ or 40%. The contribution of Brand Awareness (X1), Customer Satisfaction (X2) and Corporate Image (Y) simultaneously which directly affects Customer Loyalty (Z) is $R^2_{\text{square}} = 0.851 = 85.1\%$. The remaining $0.149 = 14.9\%$ is influenced by other factors that cannot be explained in this study.

Variabel	Causal Effect		ϵ_1 & ϵ_2	Total
	Indirect			
	Direct	Y		
X ₁ to Y	0.461			0.461
X ₂ to Y	0.515			0.515
X ₁ , X ₂ to Y	0.559		0.441	1
X ₁ to Z	0.476			0.476
		0.476+ (0.461x0.633)		0.924
X ₂ to Z	0.819			0.819
		0.819+(0.515x0.633)		1.144
Y to Z	0.633			0.633
X ₁ , X ₂ , Y to Z	0.851		0.149	1
ϵ_1	0.441			0.441
ϵ_2	0.149			0.149

Tabel 2. Path Analysis

4. CONCLUSION

Based on the results of the research analysis that has been carried out regarding the influence of brand awareness and customer satisfaction on corporate image and its impact on customer loyalty at pt kao indonesia, the following conclusions can be drawn. Brand awareness has a strong, unidirectional and significant relationship to corporate image. directly brand awareness has a significant influence on corporate image. customer satisfaction has a strong, unidirectional and significant relationship to corporate image. directly customer satisfaction has a significant influence on corporate image. directly and simultaneously brand awareness and customer satisfaction have a significant influence on corporate image. brand awareness has a strong, unidirectional and significant relationship to customer loyalty. directly brand awareness has a significant influence on customer loyalty. directly customer satisfaction has a significant influence on customer loyalty. directly and simultaneously brand awareness and customer satisfaction have a significant influence on corporate image. directly brand awareness has a significant influence on customer loyalty. indirectly brand awareness has a significant influence on customer loyalty through corporate image. customer satisfaction has a very strong, unidirectional and significant relationship to customer loyalty. directly customer satisfaction has a significant influence on customer loyalty. indirectly

customer satisfaction has a significant influence on customer loyalty through corporate image. corporate image has a strong, unidirectional and significant relationship to customer loyalty.

Based on the results of this study, the researchers have several suggestions aimed at two parties, namely for the company (PT Kao Indonesia). PT Kao Indonesia in building or improving brand awareness must pay attention to very appropriate tools so that it will be effective such as what media to use. At this time there are very many media that can be used both online and offline. However, it seems that online media will be more appropriate to use at this time such as Youtube, e-articles, e-commerce, online news, social media Instagram, Facebook, Twitter and others. Online media will be even better because we can see consumers who match the segments and targets of PT Kao Indonesia's products and the cost is much cheaper. To build brand awareness, PT Kao Indonesia must develop a creative and attractive concept so that the delivery of a brand message to consumers must be easy to remember, the message conveyed must be different from other products, use catchy songs / jingles, use symbols related to the brand, do repetition to increase recall and this is very important because usually this is more difficult than forming recognition.

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