THE INFLUENCE OF BRAND AWARENESS, PERCEIVED QUALITY, AND BRAND IMAGE ON BRAND LOYALTY: BRAND IMAGE AS A MEDIATING VARIABLE

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ABSTRACT

The purpose of the study was to examine the positive effect of brand awareness, perceived quality, and brand image directly and indirectly through brand image on brand loyalty. The target population is all XL Axiata cellular cards customers in October 2020 in Jakarta, Indonesia. The sampling technique used was purposive sampling. The number of samples collected as many as 400 respondents. Methods of data collection by using a questionnaire. Data analysis with partial least square-structural equation modeling (PLS-SEM) approach with the help of SmartPls version 3. The results showed that brand awareness and perceived quality had a positive effect on brand image and brand loyalty. Then brand image mediates the effect of brand awareness and perceived quality on brand loyalty.

Keywords: Brand Awareness; Perceived Quality; Brand Image; Brand Loyalty

ABSTRAK


Kata Kunci: Brand Awareness; Perceived Quality; Brand Image; Brand Loyalty
INTRODUCTION

The technology industry is currently growing and diversing. Sending messages using letters is not something that must be done to communicate over long distances, but by using smartphones or other gadgets, people can communicate smoothly without any interference. With the development of increasingly sophisticated technology, companies that provide SIM CARDS to the public must also consider and think about the quality provided so that people feel comfortable using that provider.

Internet is something that needs to be maintained in the development of industrial revolution technology. In the era of 4.0 communication tools are useful and will be needed by everyone at this time. In the use of communication media or communication tools, a sophisticated and up-to-date internet is needed so that it can provide satisfaction for customers who use it. With the large number of people using the internet today, many companies have emerged that support the community to get an internet network so that they can communicate well and smoothly.

The object of observation in this research is the XL Axiata company, which is a company that was founded in 1996 and is known as the company that sells the first private cellular card established in Indonesia. XL Axiata company is under Axiata Investment in Indonesia (XL Axiata, 2020). The Chief Premium Segment of XL Axiata expects a growth of 1.4 million users by the end of 2019 (Qolbi, 2019), however what happened was a decrease in XL Axiata subscribers by 1.1 million subscribers in the third quarter of 2019 and these subscribers moved to other operators (Jatmiko, 2019). So there is a gap between the expectations expected by XL Axiata and the real reality. This research was made in order to find out what factors can increase customer loyalty to the XL Axiata brand. People who were initially loyal to XL have moved to become other company providers. This research is a replication research from the research of Fajaralah, Thoyib and Rahman (2016). The purpose of this study was to test the research model of Fajaralah et al. (2016) but with a different object.

LITERATURE REVIEW AND SUBMISSION OF HYPOTHESIS

The relationship between Brand Awareness, Perceived Quality and Brand Image

According to Suciningtyas (2012), brand awareness is the expertise or ability that is in the customer to remember a brand and always connects the brand with the product he wants to buy. According to Cahyani and Sutrasmawati (2016), brand image is a description of a customer who associates himself with a certain brand. In the development of a competitive business, brand image is very useful and important so that the brand or company brand is well known by the wider community, both customers who have shopped and new customers. Based on studies proposed through Mudzakkir and Nurfarida (2015), emblem consciousness has a superb effect on emblem photograph. Customers will determine to shop for an emblem if it's miles of true pleasant. So that perceived pleasant in reality impacts purchasers to make their choices (Nofriyanti, 2017). An examination performed by Wisnu and Hermawan (2011) found that perceived pleasant has a superb impact at the emblem photograph of a company. Research performed through Kurniawan (2017) explains that a consumer can see true pleasant in a product and that true and excessive perceived pleasant can have an effect on the emblem photograph.

H1: Brand Awareness has a positive effect on Brand Image
H2: Perceived Quality has a positive effect on Brand Image
The relationship between Brand Awareness, Perceived Quality, Brand Image and Brand Loyalty

When customers are loyal to a brand, the company must continue to maintain the company so that customers remain loyal and do not move to other companies, brand loyalty is very important so that customers become loyal customers in the company (Nofriyanti, 2017). Based on research conducted by Lu, Gursoy and Lu (2015), there's a fantastic relationship among brand awareness and emblem loyalty and has a fantastic and sizable impact. Fatikhyaid, Rachma and Hufron (2019) carried out a have a look at that emblem cognizance has a fantastic impact on emblem loyalty and it's far stated that after emblem cognizance is higher, client loyalty might be given to a company/emblem.

Perceived quality has a very important role in order to improve or build a particular brand. Within a brand, perceived quality is an important reason that customers will consider before customers make a purchase for a brand. Customers will decide to buy a brand if it is of good quality (Nofriyanti, 2017). Brand image is a picture that is in the minds of consumers and the better the customer's view of a brand, the more loyal and loyal customers will be to the brand (Fatikhyaid et al., 2019).

Loyal clients regularly purchase merchandise from an emblem again and again and aren't prompted via way of means of different manufacturers which might be competition of the emblem. According to Kurniawan (2017) perceived nice has an advantageous impact on emblem loyalty. A have a look at recommend via way of means of Gunawan (2019) states that perceived nice has an advantageous impact on emblem loyalty due to the fact the higher the nice supplied to consumers, the better and greater unswerving clients the company's emblem.

According to Pratama and Edwar (2016), Brand Image is a company’s way to maintain a brand by developing technological innovations and the advantages of these products. According to Kurniawan (2017), if a brand has brand loyalty, then the company does not need to pay additional costs to retain its customers because the customer has chosen the brand and is loyal to buy products or services from that brand. Kurniawan (2017) states that brand image has a positive influence on brand loyalty. Research that has been researched through Fatikhyaid et al. (2019) states that logo picture has a high-quality impact on logo loyalty due to the fact the higher the logo picture withinside the eyes of consumers, the better the logo loyalty of a customer.

H3: Brand Awareness has a positive effect on Brand Loyalty
H4: Perceived Quality has a positive effect on Brand Loyalty
H5: Brand Image has a positive effect on Brand Loyalty

The relationship between Brand Awareness and Brand Loyalty through Brand Image

Brand Awareness makes customers remember a brand when they see a certain product (Putri & Deniza, 2018). According to Ali and Muqadas (2015), brand loyalty is something that must be considered by a company in selling and marketing products or services from a brand, because with brand loyalty, customers can make repeat purchases and can ease the expenses made by the company for their part marketing so that this provides many benefits for the company.

Brand Image is a consideration made by customers to choose a product, brand image is related to what is in the mind of the customer about a particular brand and the thoughts of consumers about the product exist because the memory of the brand image is good in front of consumers (Putra & Sulistyawati, 2019). Based on research disclosed by Oktiani and Khadafi (2018), brand awareness has a positive effect on brand loyalty, then brand image also has a positive effect on brand loyalty. In Putra and Sulistyawati’s research (2019) it is said that brand
awareness and brand image have a positive effect on brand loyalty.

H₆: Brand Awareness has a positive effect on Brand Loyalty through Brand Image

The relationship between Perceived Quality and Brand Loyalty through Brand Image

According to Gunawan (2019), perceived quality is a customer's view of the superiority of a product and the good quality provided by a product or service that gives hope to consumers. Brand loyalty is customer’s attitude related to a certain brand. Attitudes of customers who are loyal to a brand and do not want to switch to other brands (Fatikhyaid et al., 2019).

In a company, Brand Image is a way for companies to maintain their brand by maintaining the quality of the products provided to customers because the higher the company's brand image, the higher the customer's desire to buy a brand (Pahlevi & Hadi, 2017). Research that has been conducted by Kurniawan (2017) concluded that perceived quality of brand loyalty through brand image has a positive effect. Based on a take a look at performed via way of means of Alhaddad (2015), perceived high-satisfactory has a high-quality impact on emblem picture and emblem picture has a high-quality impact on emblem loyalty.

H₇: Perceived Quality has a positive effect on Brand Loyalty through Brand image as an intervening

![Research Model](source: Fajariah et al. (2016))

**RESEARCH METHODS**

This research is a research using a survey. The data collection is done using a questionnaire. The target population is 400 respondents who use XL Axiata cellular cards in October 2020 and live in Jakarta. The sampling technique was purposive sampling, with the criteria that respondents used the XL Axiata card for at least 6 months. The number of samples is determined by the formula sample size for a proportion (Mason, Lind & Marchal, 1999) namely \( n = p (1-p) (z / e)^2 \), where \( p = 0.5 \) because it is assumed that respondents who are loyal to use the XL Axiata card are 50\%, with a level of confidence of 95\% or equal to 1.96. The
The margin of error used is 5%.

The questionnaire gadgets used withinside the variable brand awareness, perceived quality, brand photo and brand loyalty use a 5-factor Likert scale calculation, particularly 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree. This indicator object become tailored from Fajarriah et al. (2016). This evaluation makes use of the partial least rectangular version or PLS-SEM method the use of the SmartPLS 3.0 program.

Measurement Model

At this stage, testing the validity and reliability by calculating the average variance extracted (AVE) and outer loadings. When the value of outer loading is higher than 0.7, the indicator is significant. When the AVE value exceeds 0.5, the convergent variable will be fulfilled (Sauddin & Ramadhani, 2018). The following results are the results of validity testing and the instruments below are said to be valid. Based on table 1, all indicators representing each variable have an AVE value above 0.5 and a CR value of more than 0.7. So it can be proven that the indicators representing each of these variables are valid and can be used in this test.

Table 1. Evaluation of the measurement model

<table>
<thead>
<tr>
<th>Construct and items</th>
<th>Outer loading</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brand Awareness/BA (AVE = 0.579, CR = 0.801)</strong></td>
<td></td>
</tr>
<tr>
<td>BA2</td>
<td>0.863</td>
</tr>
<tr>
<td>BA5</td>
<td>0.805</td>
</tr>
<tr>
<td>BA7</td>
<td>0.587</td>
</tr>
<tr>
<td><strong>Brand Image/BI (AVE = 0.720, CR = 0.885)</strong></td>
<td></td>
</tr>
<tr>
<td>BI1</td>
<td>0.849</td>
</tr>
<tr>
<td>BI4</td>
<td>0.819</td>
</tr>
<tr>
<td>BI6</td>
<td>0.877</td>
</tr>
<tr>
<td><strong>Brand Loyalty/BL (AVE = 0.730, CR = 0.931)</strong></td>
<td></td>
</tr>
<tr>
<td>BL1</td>
<td>0.793</td>
</tr>
<tr>
<td>BL2</td>
<td>0.848</td>
</tr>
<tr>
<td>BL3</td>
<td>0.891</td>
</tr>
<tr>
<td>BL4</td>
<td>0.899</td>
</tr>
<tr>
<td>BL5</td>
<td>0.838</td>
</tr>
<tr>
<td><strong>Perceived Quality/PQ (AVE = 0.660, CR = 0.907)</strong></td>
<td></td>
</tr>
<tr>
<td>PQ1</td>
<td>0.818</td>
</tr>
<tr>
<td>PQ2</td>
<td>0.819</td>
</tr>
<tr>
<td>PQ3</td>
<td>0.839</td>
</tr>
<tr>
<td>PQ4</td>
<td>0.831</td>
</tr>
<tr>
<td>PQ7</td>
<td>0.754</td>
</tr>
</tbody>
</table>

Note: AVE = average variance extracted; CR = composite reliability

Source: The results of data processing using SmartPLS 3.0
Structural Model

In the structural model, three assessments are carried out, particularly checking out $R^2$, collinearity information and checking out the hypothesis. The better the $R^2$ fee, the higher and underneath is the calculation made for every present variable, particularly logo consciousness, perceived first-class, logo picture and logo loyalty. In this research, in checking out the coefficient of determination, the use of R-Square with the goal that the solution from the pattern can describe the entire population. The variable logo picture that is inspired with the aid of using logo consciousness and perceived first-class has a fee of 0.707 or equal to 70.7% at the same time as the closing 29.3% is inspired with the aid of using different variables now no longer proposed on this study. Next, the variable logo loyalty is inspired with the aid of using logo consciousness, logo picture and perceived first-class which has a fee of 0.701 or equal to 70.1%. This suggests that the closing 29.9% is inspired with the aid of using different variables now no longer proposed on this study.

Table 3. Coefficient of Determination

<table>
<thead>
<tr>
<th>Variable</th>
<th>R-Square (R2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Image</td>
<td>0.707</td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>0.701</td>
</tr>
</tbody>
</table>

Source: Processed primary data from SmartPLS 3.0

Next, the collinearity statistical test is to test the research regression model where there is correlation between variables, when the research model is good, there will be no correlation between one variable and another (Akila, 2017). If VIF $>10$ then multicollinearity occurs and when VIF $<10$, multicollinearity does not occur (Akila, 2017). In the table above, it can be seen that the value of each variable does not exceed 10 so that all variables are safe and there is no correlation between variables.

Table 4. Collinearity Statistics (VIF)

<table>
<thead>
<tr>
<th>Contract</th>
<th>VIF</th>
<th>Contract</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>BA</td>
<td>2,173</td>
<td>BA</td>
<td>2,398</td>
</tr>
<tr>
<td>PQ</td>
<td>2,173</td>
<td>BI</td>
<td>3,409</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PQ</td>
<td>3,542</td>
</tr>
</tbody>
</table>

Information: BA = Brand Awareness, PQ = Perceived Quality, BI = Brand Image, BL = Brand Loyalty

Source: Processed primary data from SmartPLS 3.0

Hypothesis testing is carried out to determine whether there is a supported link between the constructs or not. Hypothesis testing above shows that all hypotheses are supported, it can be seen from the p-values. When the p-value is less than 0.05, there is a significant effect (Fajariah et al., 2016). So that the hypothesis in this study is supported because it has a p-value smaller than 0.05, namely 0.000.

Table 5. Hypothesis test results

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Standardized Path Coefficient</th>
<th>p-values</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>$H_1$: Brand Awareness has a positive effect on Brand Image</td>
<td>0.257</td>
<td>0.000 *</td>
<td>Supported</td>
</tr>
<tr>
<td>$H_2$: Perceived Quality has a positive effect on Brand Image</td>
<td>0.634</td>
<td>0.000 *</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Source: Processed primary data from SmartPLS 3.0
**DISCUSSION**

The effects of the primary take a look at (H1) are supported and kingdom that emblem focus has an effective and sizable effect on emblem brand image. This is according with preceding studies carried out via way of means of Mudzakkir & Nurfarida (2015) and Mulyono (2016). When the p-value is much less than 0.05, emblem focus has a sizable impact on emblem brand image. It may be concluded that those effects show that if the emblem focus of an employer increases, it's going to additionally have an effect on the emblem brand image of the employer. The effects of the second one take a look at (H2) are supported and monitor that perceived nice has an effective impact on emblem brand image. Based at the effects of preceding studies carried out via way of means of Kurniawan (2017) and Wisnu & Hermawan (2011) said that perceived nice has an effective impact on emblem photograph. Perceived nice has an effective impact on emblem brand image as it has an effective standardized course coefficient fee of 0.634 and the p-value of this speculation (H2) is 0.000, this shows that it has an effective and sizable impact. It may be concluded primarily based totally at the effects of this take a look at that perceived nice has an effective and sizable impact on emblem brand image.

Based at the effects of third studies (H3) that's supported, it's miles stated that emblem focus has an effective impact on emblem loyalty. Previous studies state the identical factor that emblem focus has an effective and sizable impact on emblem loyalty and that's accomplished via way of means of Lu et al. (2015) and Fatikhyaid et al (2019). It is said that the standardized course coefficient is effective 0.239, because of this that that emblem focus has an effective impact on emblem loyalty. The p-value indicates that H3, particularly emblem focus, has an impact on emblem loyalty, which indicates a fee of 0,000 because of this that it has a sizable impact. The effects of the fourth take a look at (H4) are supported, particularly perceived nice has a sizable impact on emblem loyalty. Previous studies carried out via way of means of Kurniawan (2017) and Gunawan (2019) additionally said the identical end result. P-value perceived nice of emblem loyalty indicates a fee of 0.000 because of this that that perceived nice has a sizable impact on emblem loyalty and withinside the fourth speculation (H4) has a fee standardized course coefficient particularly 0.216 because of this that it has an effective effect.

The effects of the 5th take a look at (H5) are supported, particularly emblem photograph has an effective impact on emblem loyalty, it is able to be visible from preceding studies carried
out via way of means of Kurniawan (2017) and Fatikhyaid et al. (2019) kingdom that emblem brand image has an effective effect on emblem loyalty. Value of standardized course coefficient is 0.453 because of this that that the speculation has an effective impact. Value of \( p\)-fee withinside the 5th studies end result \((H_5)\) is 0.000 which exhibits that emblem photograph has a sizable impact on emblem loyalty. The 6th studies \((H_6)\) is said to be supported, particularly emblem focus has an effective impact on emblem loyalty through emblem brand image which may be validated to have an effective impact in which preceding studies carried out via way of means of Oktiani & Khadafi (2018) and Putra & Sulistyawati (2019) states that emblem focus has an effective effect on emblem loyalty through emblem brand image. Based on fee \( p\)-fee on this 6th take a look at is 0,000 which states that it has a sizable affect, so it is able to be stated that emblem focus has an effective and sizable impact on emblem loyalty through emblem brand image.

The 7th studies end result \((H_7)\) is supported, particularly that it is able to be stated that perceived nice has an effective impact on emblem loyalty through emblem brand image. Previous studies said the identical factor and changed into accomplished via way of means of Kurniawan (2017) and Alhaddad (2015). Score standardized course coefficient from \(H_7\) is 0.287 because of this that it has an effective effect. While the fee of \( p\)-fee on \(H_7\) or the 7th studies end result states 0.000 because of this that it has a sizable impact. So it is able to be stated that perceived quality has an effective and sizable impact on emblem loyalty through emblem brand image.

**CONCLUSION**

The results of this study indicate that brand awareness has a positive impact on whole image and features a vital effect as well. Perceived quality has a positive effect on brand image and has a significant effect. Brand awareness has a positive effect on brand loyalty and has a significant effect. Perceived quality has a positive effect on brand loyalty and has a significant effect. Brand image has a positive effect on brand loyalty and has a significant effect. Brand awareness has a positive effect on brand loyalty through brand image and has a significant effect. Perceived quality has a positive effect on brand loyalty through brand image and features a vital effect.

**LIMITATIONS AND SUGGESTIONS FOR NEXT RESEARCH**

In carrying out this research, the sampling used was purposive sampling so that special respondents were needed and in accordance with the criteria. So it is better for the next research, using other sampling methods such as random sampling in order to provide equal opportunities to people who are outside these criteria. Sampling in this study is focused on respondents who live in Jakarta only, so that the resulting data is not optimal. It is recommended for further research to examine respondents who are outside Jakarta or such as taking respondents in JABODETABEK, because thus the results obtained will certainly also be more diverse and more different than only examining respondents who live in Jakarta.

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