

THE EFFECT OF BRAND IMAGE AND TRUST ON LOYALTY THROUGH CUSTOMER SATISFACTION AS AN INTERVENING VARIABLE AT KFC IN JEMBER

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ABSTRACT

This study aims to test and discuss the effect of brand image and trust on Loyalty through customer satisfaction. This research technique uses nonprobability sampling with a purposive sampling approach. The sample used in this study was 120 respondents, and data was collected by distributing questionnaires offline with the criteria that respondents aged 15-22 years have bought and consumed K.F.C. Jember products at least twice in the last six months. This research analysis method uses path analysis. The results showed that brand image has no significant effect on customer satisfaction. Trust has a significant effect on customer satisfaction. Brand image has no significant effect on customer loyalty. Trust has a significant effect on customer loyalty. Customer satisfaction has a significant effect on customer loyalty. Brand image has no significant effect on Loyalty through customer satisfaction. Trust has a significant effect on Loyalty through customer satisfaction.

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1. INTRODUCTION

The business sector in the technological era is increasingly mushrooming in the dynamics of business competition that occurs today (Lei & Slocum, 2009). One of them occurs in the food industry sector. The Central Statistics Agency (BPS) shows that Indonesia's food and beverage industry has increased by 2.5 percent to 775.1 trillion in 2021 (Khoirunnisa & Nirawati, 2024). The food industry sector is starting to be influenced by changes in the new lifestyle of consumers, especially teenagers. Based on data from ALFaris et al. (2015), it is known that 80% of teenagers like to consume fast food because of the business trend that has rapid growth and promises practicality. Teenagers' current diet tends to

favor fast food over consuming traditional food. This makes teenagers a potential target consumer for fast food restaurants (Briawan et al., 2023). Teenager are increasingly critical in determining the products to be purchased, thus requiring companies to fulfill the needs and increase consumer satisfaction to maintain market share and survive in business competition (Ayuni, 2019; Spero & Stone, 2004).

A world-renowned company that is able to compete is KFC. KFC is a fast food restaurant originating from the United States and began developing in Indonesia in 1979 by PT Fast Food Indonesia, Tbk (Zuo, 2023). KFC serves fried chicken as the main choice on their menu by serving it in a bucket made of cardboard and adjusting the tastes of the Indonesian tongue by serving a menu that involves rice. One of the KFC branches in Indonesia is located in

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Jember. Jember is a city with a rapidly growing culinary business. The proliferation of fast-food restaurants in Jember shows that the economy is doing well. Yayat and Supriatna, as urban observers, said that the increasingly consumptive lifestyle of consumers has greatly influenced the increasing number of restaurants in Jember that can be used as a place to spend leisure time (Prasetyo, 2017).

Based on data from the Top Brand for Teens Index Fast Food Restaurants in the Last 2 Years, KFC is still the leader of fast food restaurants and controls market share. However, KFC experienced a decrease in percentage from 30.5% in 2022 to 27.5% in 2023. Meanwhile, KFC's percentage still lags behind its fast-food restaurant competitor, McDonald's, with a percentage from 30.7% in 2022 to 31.7% in 2023. The decline in percentage indicates that KFC has experienced a decline in brand image, and some KFC teenage consumers have begun to switch to other brands. Switching teenage consumers to competing products is caused by decreased loyalty to KFC products (Kesumaputri et al., 2022); therefore, to maintain customer loyalty, companies need to increase customer trust. In addition, KFC Jember's sales revenue fluctuated in the January-April 2023 period. Thus, KFC needs to strengthen its brand image and build consumer trust in order to compete with other companies and successfully maintain its market share. KFC continues to carry out strategies to dominate the market with many competitors in order to satisfy consumers.

The strategy that KFC can do besides satisfying consumers is to strengthen the brand image. Brand image is a collection of brand associations that are embedded in the minds of consumers memories (Kotler & Keller, 2016, p. 274). According to Yulisetiari and Prahasta (2019), consumer satisfaction can increase if consumer perceptions of brand image have increased. Research conducted by Yulisetiari et al. (2022a) stated that brand image has a significant effect on customer satisfaction. However, research conducted by Lestari and Suryowati (2023) said that brand image has no significant effect on customer satisfaction.

The company must increase customer satisfaction to create consumer trust in KFC Jember. According to Tabrani and Nizam (2018), trust is consumer confidence in the reliability of products and services and the ability to meet expectations and needs. The higher the trust felt by consumers, the higher the consumer satisfaction with the brand. The results of research conducted by Sitorus et al. (2018) show that trust has a significant effect on customer satisfaction. Research results by Yulisetiari and Prahasta (2019) concluded that trust has a significant effect on customer loyalty and satisfaction. At the same time, research Ramadhan et al. (2022) stated that trust has no significant effect on Loyalty through customer satisfaction.

Customer satisfaction is an important factor for companies in maintaining products and competing with competitors. According to Kotler & Keller (2016, p. 153), Customer satisfaction is a person's feelings that arise after comparing the expected product performance

results. Positive satisfaction will encourage consumers to make product purchases again. It will increase consumer loyalty, and the company will benefit (Yulisetiari et al., 2022a). Research conducted by Sitorus et al. (2018), Yulisetiari and Prahasta (2019), Yulisetiari and Mawarni (2021), Ramadhan et al. (2022), and Yulisetiari et al. (2022b) proves that customer satisfaction has a significant effect on customer loyalty. In contrast, research by Bintari et al. (2022) shows that customer loyalty has no significant effect on customer satisfaction.

According to Kotler & Keller (2016, p. 138), loyalty is an interest in making repeat purchases of products or services. Consumers will be encouraged to make purchases consistently due to the formation of positive perceptions of a brand. Yulisetiari and Mawarni (2021) show that brand image directly affects consumer loyalty. However, research by Sayekti and Dwiridotjahjono (2023) said that brand image has no significant effect on loyalty.

The influence between these variables is interpreted by the existence of brand Image and trust, which can have an influence on customer satisfaction. So that it can generate loyalty in customers for the KFC Jember. The phenomenon and background description above makes researchers interested in testing and analyzing the effect of brand image and trust on customer loyalty to the KFC Jember through customer satisfaction.

2. LITERATURE REVIEW

Brand Image

According to Firmansyah (2019: 107), *brand image* is a representation of how consumers perceive the brand and how previous experiences and knowledge have shaped perceptions of a brand. Companies that have a good brand image can increase market share and achieve excellence. Brand image is a characteristic of a particular brand that can distinguish goods or services from its competitors (Kotler & Keller, 2016, p. 322). A good brand image in the minds of consumers will increase the number of new consumers and make them more satisfied (Yulisetiari & Prahasta, 2019). According to (Firmansyah & Budiatmo, 2021), there are three indicators as determinants of brand image, including, there are three indicators used for brand image, namely:

- a. The brand is easy to remember
- b. The brand is easy to recognize
- c. Good Reputation

Trust is the knowledge that consumers have about an object, attributes, and benefits that can show consumers' perceptions of companies that meet their expectations. (Jesus, 2023). According to Kotler & Keller (2016, p. 225), trust is the company's willingness to rely on business partners. Thus, trust is consumer confidence in the company in fulfilling their expectations and needs. According to Priansa (2018, p. 241), indicators of trust include:

- a. Competence

- b. Integrity
- c. Benevolence

Consumer satisfaction is a person's feeling that arises after comparing the perception of the results of a product in accordance with his expectations. Consumers will feel satisfied if the results match their expectations. Conversely, if the results exceed expectations, they will feel satisfied (Kotler & Keller, 2016, p. 153). According to Tjiptono (2014, p. 368) and Saputra et al. (2017), the following are indicators of customer satisfaction.

- a. Overall Satisfaction
- b. Confirmation of expectation
- c. Comparison to ideal

According to Hurriyati (2019, p. 128), Customer loyalty is very important for companies because retaining consumers is a must. Customer loyalty is a person's commitment to repurchase a preferred product or service despite influences that have the potential to cause customers to switch (Kotler & Keller, 2016, p. 138). The indicators for measuring consumer loyalty, according to Sudjianto and Japariato (2017), are as follows:

- a. Say positive things about the company.
- b. Recommending the company to someone who seeks advice
- c. Continue purchasing (doing more business with the company)

3. METHODOLOGY

The population in this study are all consumers who buy and consume KFC Jember products. The sampling method in this study uses nonprobability sampling with purposive sampling technique, with the criteria of respondents aged 15-22 years who have bought and consumed KFC products in Jember at least twice in the last six months. Data collection was obtained by distributing questionnaires offline. The analysis method in this study uses the path analysis method. The sample used was 120 respondents.

4. RESULTS

According to Ghazali (2018, p. 249), path analysis is part of regression analysis, which aims to analyze the effect of independent variables and dependent variables directly or indirectly. The results of hypothesis testing in this study indicate that testing the brand image variable on customer satisfaction with a significance value of $0.099 \geq 0.05$, so it can be concluded that H_0 is accepted and H_1 is rejected, which means that brand image has no significant effect on customer satisfaction at KFC in Jember. The results of testing the effect of the trust variable on customer satisfaction have a significance value of $0.000 \leq 0.05$, so that it can be concluded H_0 rejected and H_2 accepted, which means that trust has a significant effect on customer satisfaction at KFC in Jember. The results of testing the effect of brand image variables on consumer loyalty with a significance value

of $0.409 \geq 0.05$ that can be concluded H_0 accepted and H_3 rejected, which means that brand image has no significant effect on consumer loyalty at KFC in Jember. The results of testing the effect of the trust variable on consumer loyalty have a significance value of $0.008 \leq 0.05$, so that it can be concluded H_0 rejected and H_4 accepted, which means that trust has a significant effect on consumer loyalty at KFC in Jember. The results of testing the effect of customer satisfaction variables on customer loyalty with a significance value of $0.000 \leq 0.05$ it can be concluded H_0 rejected and accepted, which means that customer satisfaction has a significant effect on customer loyalty at KFC in Jember.

Path Calculation

Calculation of paths that are already significant can calculate the direct effect and indirect effect between the independent variables, namely Brand Image (X_1) and Trust (X_2) on the dependent variable, namely customer loyalty (Y), through the intervening variable, namely Customer Satisfaction (Z). The results of the path calculation analysis test in this study can be described, and the calculation of the path coefficient is as follows (Figure 1):

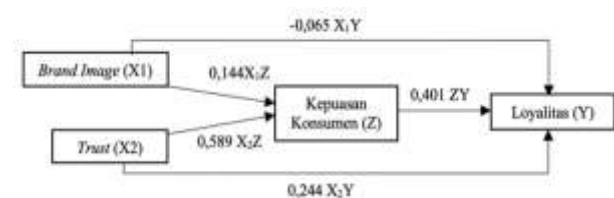


Figure 1. Results of the path calculation analysis test in this study

Based on the path calculation, the direct effect of the Brand Image variable on customer satisfaction obtained a result of 14.4%. The direct effect of the Trust variable on customer satisfaction is 58.9%. The direct effect of the Brand Image variable on customer loyalty results in 6.5%. The direct effect of the Trust variable on customer loyalty results in 24.4%. The direct effect of the customer satisfaction variable on customer loyalty results in 40.1%.

Trimming Theory

Trimming theory is used to improve the path analysis structure model by eliminating insignificant path coefficients (Figure 2).



Figure 2. Trimming Theory

After the trimming test is carried out, it is found that the significance value of the trust variable on customer satisfaction has a significant effect of $0.000 < 0.05$. The path of trust and customer satisfaction on customer loyalty has a significant effect. This is known from the significance value < 0.05 .

5. DISCUSSIONS

The results of path analysis, namely brand image (X₁) and customer satisfaction (Z), have a significant effect with a significance value of $0.099 < 0.05$ (α) and standardized coefficients (β) of 0.14, so H₀ is accepted and rejected, meaning that the better the brand image formed by KFC in Jember on consumers, the lower the effect on customer satisfaction. This research shows insignificant results; any consumer satisfaction that occurs is not really influenced by brand image. In this study, brand image has not been able to provide a significant influence on customer satisfaction fully. The results of this study are not in line with research by Yulisetiari and Mawarni (2021), Yulisetiari et al. (2022a), and Juan et al. (2023) show that brand image has a significant effect on customer satisfaction. However, this study supports research conducted by Lestari and Suryowati (2023), who said that brand image has no significant effect on customer satisfaction. Based on the results of hypothesis testing, it shows that trust (X₂) has a significant effect on customer satisfaction (Z) at KFC in Jember with a significance level of $0.000 < 0.05$ (α) and standardized coefficients (β) of 0.589, so that H₀ is rejected and H₂ is accepted, meaning that the better the trust, the more customer satisfaction will increase. The results of this study are in line with research by Sitorus et al. (2018), and Ramadhan et al. (2022) show that trust has a significant effect on customer satisfaction. The results of hypothesis testing show that brand image (X₁) has no significant effect on consumer loyalty (Y) at KFC in Jember, with significance level of $0.521 > 0.05$ (α) and standardized coefficients (β) of -0.065, so H₀ is accepted, and H₃ is rejected. The path coefficient value shows a negative effect; this indicates that the brand image at KFC Jember does not increase consumer loyalty. Improvements in brand image variables will not necessarily increase Loyalty if they do not increase customer satisfaction first. This research is not in line with research by Yulisetiari and Mawarni (2021), which shows that brand image has an effect on consumer loyalty. However, this study supports research by Sayekti and Dwiridotjahjono (2023) which shows that brand image has no significant effect on consumer loyalty. Based on the results of hypothesis testing, it shows that trust (X₂) has a significant effect on consumer loyalty (Y) at KFC in Jember, with a significance level of $0.039 < 0.05$ (α) and standardized coefficients (β) of 0.244, so H₀ is rejected, and H₄ is accepted, meaning that the better consumer trust, the more consumer loyalty will increase. This study's results align with the research by Sitorus et al. (2018) shows that trust significantly affects consumer loyalty. Based on the results of hypothesis testing, it shows that customer satisfaction (Z) has a significant effect on customer loyalty (Y) at KFC in Jember with a significance level of $0.000 < 0.05$ (α) and standardized coefficients (β) of 0.401, so H₀ is rejected, and H₅ is accepted, meaning that the higher the satisfaction felt by consumers, the more consumer loyalty

will increase. The results of this study are in line with research by Sitorus et al. (2018), Yulisetiari and Mawarni (2021), Ramadhan et al. (2022), and Yulisetiari et al. (2022b) prove that customer satisfaction has a significant effect on customer loyalty. Based on the results of the calculations that have been carried out, it is obtained that the indirect effect of brand image on customer loyalty through customer satisfaction is 0.057. This study also shows the total effect, which shows the amount of influence from the addition of direct and indirect effects. The total effect of this research is 0.201. Based on the results of the sobel test path one, the t value is $1.524 < t$ table 1.980 with a significance level of 0.05 (α); this shows that the customer satisfaction variable is unable to mediate the effect of brand image on customer loyalty. This means that if KFC Jember wants to increase consumer loyalty, then KFC Jember must improve its brand image as well as possible to increase customer satisfaction; this is because the brand image that has been formed now is still not strong in the market or has not been able to provide satisfaction to consumers which will also have an impact on consumer loyalty. The results of this study are in line with the research Lestari and Suryowati (2023) stated that customer satisfaction has an insignificant effect in mediating brand image on customer loyalty. Based on the results of the calculations that have been carried out, it is found that the indirect effect of trust on consumer loyalty through consumer satisfaction is 0.265. This study also shows the total effect, which shows the amount of influence from the addition of direct and indirect effects. The total effect of this research is 0.944. Based on the results of the path two sobel test, the t value is $3.497 > t$ table 1.980 with a significance level of 0.05 (α); this shows that the customer satisfaction variable is able to mediate the effect of trust on customer loyalty. This shows that when consumers already believe in KFC Jember, they will choose products from that brand because they are satisfied, and Loyalty to the product arises. The results of this study are in line with previous research by Yulisetiari et al. (2019), which shows that customer satisfaction has a significant effect on mediating trust and customer loyalty.

6. CONCLUSIONS

Trust has a significant effect on customer satisfaction. Trust has a significant effect on customer loyalty. Customer satisfaction has a significant effect on customer loyalty. Trust has a significant effect on loyalty through customer satisfaction. The findings of this research are that brand image has no significant effect on customer satisfaction. Brand image has no significant effect on customer loyalty. Brand image has no significant effect on loyalty through customer satisfaction.

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