THE INFLUENCE OF BRAND IMAGE AND PROMOTION TOWARD BRAND LOYALTY OF INDRIVER MANADO

PENGARUH CITRA MEREK DAN PROMOSI TERHADAP LOYALITAS MEREK INDRIVER MANADO

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Abstract: The main problem is regarding the brand loyalty that may be affected by the brand image and also promotion, in this particular case the online transportation industry which rapidly increase nowadays. Business relies heavily brand image and promotion in order to achieved brand loyalty, the way of customer’s decides a certain product and also the status quo of a new business trying to penetrate toward the market within the city is a phenomenon in its own way. The purpose of this study is to see the influence of brand image and promotion toward brand loyalty of InDriver Manado. This study is a quantitative study and uses a multiple linear regression method. The findings of this study shows that the independent variables which are Brand Image and Promotion simultaneously and partially affect the Brand Loyalty on InDriver. Based on the result, the researcher provided several recommendations which are: the company can do marketing campaign in order to do over-exposure toward the InDriver as a brand and to do benchmark with other competitors and do implementation of unique type of promotions.

Keywords: brand image, promotion, brand loyalty

Research Background
In order to achieve success in a certain business, marketing effort needed to be done in order to generate attention and eventually purchases toward the business. Whether it is products or services, marketing need to be done by the company or business in order to gain profits from the customers. Nowadays there are many companies that try to make strategies in order to make the business relevant within the competitions and also generating income; there are 2 ways that current business usually do which are enhancing their current brand
image and making promotion efforts. Companies nowadays not only focus on the type of products or services that offered to the public, but the idea of good brand image also need to be catered with the current condition of society. Promotion effort also needed to be done by the company in order to generate more exposure toward the publics and it also become one of the standard strategies that company use nowadays.

Companies now try to focus on the brand of the company, which usually known as brand image. Brand image basically talk about how a brand is currently perceived in the market, company will try to make strategy on how the brand should be perceived if it is to achieve its objectives and continues with ensuring that the brand is perceived as planned and secures its objectives (Husnul, Bambang, and Andi, 2017). Developing a good relationship with target markets is essential for the company to do. Tangible elements of brand image can include the product itself; its look, price, and packaging, etc. The intangible elements are the experiences that the target markets share with the brand, and also the relationships they have with the brand. It can be seen that brand image can make or break a certain business, it can derail the company’s plan if the brand perceived as a negative one within the society or customers. For examples are automobile industry that offered different types of brand image, despite still offering the same type of products but every brand has distinguished themselves from the other. There are also other brands that try to develop the sense of comfort or family friendly, which will usually follow by a cheaper price and meet the low-end markets. Customers nowadays are becoming more conservative not only regarding the products but also the background of the company itself.

InDriver is a ride-hailing service with more than 80 million users in more than 450 cities in 32 countries. InDriver is one of the top 3 ridesharing and taxi apps worldwide by downloads. It is one of the fastest growing international passenger transport service operating on the Real-Time Deals model. In InDriver app all conditions of the trip are determined as a result of an agreement between passengers and drivers. The main problem within this paper is regarding the brand loyalty that may be affected by the brand image and also promotion, in this particular case the online transportation industry which rapidly increase nowadays. As already explained that business rely heavily brand image and promotion in order to achieved brand loyalty, it is the type of phenomenon right now where customers not only looking after the products but also the background of the company and other factors as well. The research aims to gain more comprehensive understanding regarding the impact of brand image and promotion toward brand loyalty; in this particular case are the users of InDriver Manado.

**Research Objectives**

The research objectives are:

1. To identify if brand image and promotion have significant effect toward the brand loyalty of InDriver in Manado
2. To identify if brand image has significant effect toward the brand loyalty of InDriver in Manado
3. To identify if promotion has significant effect toward the brand loyalty of InDriver in Manado

**THEORETICAL FRAMEWORK**

Marketing

Marketing refers to activities a company undertakes to promote the buying or selling of a product, service, or good. It is one of the primary components of business management and commerce. Marketers can direct their product to other businesses (B2B marketing) or directly to consumers (B2C marketing). Regardless of who is being marketed to, several factors apply, including the perspective the marketers will use. Known as market orientations, they determine how marketers will approach the planning stage of marketing. The marketing mix, which outlines the specifics of the product and how it will be sold, is affected by the environment surrounding the product, the results of marketing research and market research, and the characteristics of the product's target market. Once these factors are determined, marketers must then decide what methods will be used to promote the product, including use of coupons and other price inducements. The term marketing, what is commonly known as attracting customers, incorporates knowledge gained by studying the management of exchange relationships and is the business process of identifying, anticipating and satisfying customers’ needs and wants. The 'marketing concept' proposes that to complete its organizational objectives, an organization should anticipate the needs and wants of potential consumers and satisfy them more effectively than its competitors. Given the centrality of customer needs, and wants in marketing, a rich understanding of these concepts is essential: Needs as something necessary for people to live a healthy, stable and safe life. When needs remain unfulfilled, there is a clear adverse outcome: a dysfunction or death. Needs can be objective and physical,
Brand Loyalty

Brand loyalty is the positive feelings towards a brand and dedication to purchase the same product or service repeatedly, regardless of deficiencies, a competitor's actions or changes in the environment. It can also be demonstrated with other behaviors such as positive word-of-mouth advocacy. Corporate Brand loyalty is where an individual buys product from the same manufacturer repeatedly and without wavering rather than from other suppliers. Loyalty implies dedication and should not be confused with habit with its less than emotional engagement and commitment. Brand loyalty in marketing consists of a consumer's devotion, bond, and commitment to repurchase and continue to use a brand's product or service over time, regardless of changes with competitors pricing or changes in the external environment. Brand loyalty reflects a customer's commitment to remain in a relationship for a long period of time with a brand. A critical factor of building brand loyalty is developing a connection or relationship between the consumer and the brand. When an emotional relationship is created between the consumer and the brand, this leads to a strong bond and a competitive advantage for that particular brand. Loyalty consists of both attitudinal and behavioral components. Attitudinal loyalty relates to the customers willingness to purchase product or service from the brand at any reasonable cost. Behavioral loyalty is the re-purchasing. Both behavioral and attitudinal components are important (Zhang, 2015).

Brand Image

Brand image basically talk about how a brand is currently perceived in the market, company will try to make strategy on how the brand should be perceived if it is to achieve its objectives and continues with ensuring that the brand is perceived as planned and secures its objectives. Developing a good relationship with target markets is essential for the company to do. Tangible elements of brand image can include the product itself; its look, price, and packaging, etc. The intangible elements are the experiences that the target markets share with the brand, and also the relationships they have with the brand. Brand image is the current view of the customers about a brand. It can be defined as a unique bundle of associations within the minds of target customers. It signifies what the brand presently stands for. It is a set of beliefs held about a specific brand. In short, it is nothing but the consumers’ perception about the product. It is the manner in which a specific brand is positioned in the market. Brand image conveys emotional value and not just a mental image. Brand image is nothing but an organization’s character. It is an accumulation of contact and observation by people external to an organization. It should highlight an organization’s mission and vision to all. The main elements of positive brand image are- unique logo reflecting organization’s image, slogan describing organization’s business in brief and brand identifier supporting the key values (Nagar, 2009).

Promotion

Promotion on other hand is the idea of any type of marketing communication used to inform target audiences of the relative merits of a product, service, brand or issue, most of the time persuasive in nature. The aim of promotion is to increase awareness, create interest, and also to generate sales. It is one of the basic elements of the market mix, which includes the four Ps, i.e., product, price, place, and promotion. Promotion is also one of the elements in the promotional mix or promotional plan. These are personal selling, advertising, sales promotion, direct marketing publicity, word of mouth and may also include event marketing, exhibitions and trade shows. A promotional plan specifies how much attention to pay to each of the elements in the promotional mix, and what proportion of the budget should be allocated to each element. Promotion covers the methods of communication that a marketer uses to provide information about its product. Information can be both verbal and visual (Hulu and Ruswanti, 2017).

Previous Research

Hulu and Ruswanti (2018) aimed to determine the effect of product quality, promotion, brand image and consumer confidence in the intensity of purchasing one of isotonic beverage products in Indonesia. Research method with Structure Equestion Modeling (SEM). In this study as many as 165 respondents were taken as a sample with variable measurement using Likert scale. The results of this study found that the quality of the
product has an influence on consumer confidence, promotion has no influence on consumer confidence, brand image has an influence on consumer confidence, product quality has no effect on purchase intention, promotion has influence on purchase intention, brand image does not have influence on purchasing intentions, while consumer confidence has an effect on purchasing intention.

Nagar (2009) reported the results of the effects of consumer sales promotions on 427 consumers. This study has attempted to explore the effect of consumer sales promotions on loyal and non-loyal consumers in two Fast Moving Consumer Goods—washing powders and shampoos. Consumers were classified into two categories by their degree of loyalty towards the brand: brand loyal consumers and non-loyal consumers (also known as brand switchers). The study found that consumer sales promotions have more influence on the brand switchers as compared to the loyal consumers. Also, among the various forms of consumer sales promotions, free gifts have more influence on the brand switching behavior of consumers. Further, it was found that economic status was not a defining factor effecting consumer’s brand loyalty.

Husnul, Bambang and Andi (2019) conducted at 61 responded product consumer of Oriflame in Jember and variable is the quality of product, promotion, Brand Image, brand loyalty and impulse buying. Data Research analyzed by Partial Least Square (PLS). The result of this research is the statement that quality of product do not have an effect to brand loyalty, promotion have an effect to brand loyalty, brand image have an effect to brand loyalty, brand loyalty do not have an effect impulse buying, quality of product do not have an effect to impulse buying, promotion have an effect to impulse buying impulse and brand image have an effect to impulse buying. While most having an effect on variable to brand loyalty is brand image and most having an effect to impulse buying is promotion.

Conceptual Framework

![Conceptual Framework](image)

**Research Hypothesis**

H₁ : Brand Image and Promotion have significant effect toward the Brand Loyalty simultaneously

H₂ : Brand Image has significant effect toward the Brand Loyalty partially

H₃ : Promotion has significant effect toward the Brand Loyalty partially

**RESEARCH METHOD**

**Research Approach**

This is a quantitative research that emphasizes objective measurements and the statistical, mathematical, or numerical analysis of data collected through polls, questionnaires, and surveys, or by manipulating pre-existing statistical data using computational techniques. Survey method used as the source of primary data by distributing questionnaire to find out the direct influence of brand image and promotion (X) on dependent variable (Y) which are brand loyalty.

**Population, Sample, and Sampling Technique**

The population in this research is users of InDriver application in Manado. The sample in this research is consisting of 100 respondents in this case are users of InDriver application in Manado. Purposive sampling will be used in this research. Purposive sampling can be defined as identifying and selecting individuals or groups of individuals that are especially knowledgeable about or experienced with a phenomenon of interest.
Data Collection Method

The primary data was collect through questionnaires form. The secondary data was obtained from journals, books and relevant literature from library and internet.

Operational Definition of Research Variables
Table 1. Variable Definition

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicators</th>
</tr>
</thead>
</table>
| Brand Image (X1)  | 1. Corporate Image  
|                   | 2. Characteristic  
|                   | 3. Product Image |
| Promotion (X2)    | 1. Awareness  
|                   | 2. Interest  
|                   | 3. Information |
| Brand Loyalty (Y) | 1. Repurchase  
|                   | 2. Recommendation  
|                   | 3. Commitment |

Source: Data Processed, 2021

Validity and Reliability

Validity test use to measure the obtaining data are in line with the research concept. In other words, the instrument items used to obtain the data is correct and related with the concept of the research that will be conducted. Reliability test use to measure the consistency of instrument items. Reliability test defined as an index that showed how far instrument items can be trusted or dependable.

Multiple Linear Regression

Multiple Linear Regression is used in this research. Multiple Regression is a correlation coefficient indicates the strength of relationship between two variables, it gives us no idea of how much of the variance in the dependent or criterion variable will be explained when several independent variables are theorized to simultaneously influence it. This analysis is adopted when the researcher has one dependent variable which is presumed to be a function of two or more independent variables. The objective of this analysis is to make a prediction about the dependent variable based on its covariance with all the concerned independent variables.

RESULT AND DISCUSSION

Result

Validity and Reliability

The validity test of brand image (X1), promotion (X2), and brand loyalty (Y) are all valid. The variable is reliable because the value of Cronbach’s Alpha is 0.725 bigger than 0.6.

Result of Multiple Linear Regression
Table 2. Case Processing Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>7.746</td>
</tr>
<tr>
<td></td>
<td>Brand Image (X1)</td>
<td>.205</td>
</tr>
<tr>
<td></td>
<td>Promotion (X2)</td>
<td>.221</td>
</tr>
</tbody>
</table>

Source: Data Processed, 2021

Multiple regression analysis is used to determine the effect of the independent variables on dependent variable. The multiple linear regression equation can be interpreted as the followings. Constant value of 7.746 means that in a condition of ceteris paribus, if all independent variables equal to zero, then brand loyalty (Y) as dependent variable will be 7.746. Brand Image coefficient value of 0.205 means that if there is one unit increase
in brand image (X1) then the brand loyalty (Y) will improve and increase by 0.205. Promotion coefficient value of 0.221 means that if there is one unit increase in promotion (X2) then the brand loyalty (Y) will improve and increase by 0.221.

Table 3. Table of R and R Square

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.499&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.249</td>
<td>.236</td>
<td>1.022</td>
</tr>
</tbody>
</table>

<sup>a</sup> Source: Data Processed, 2021

The coefficient of determination (R2) measures the ability of a model in explaining variation of dependent variable. The value of coefficient of determination is between 0 and 1. The coefficient of determination (R2) according to the table 4.7 is 0.249 which shows that the variation of all independent variable explains 24.9% of variation in Brand Loyalty (Y), while the remaining 75.1% is explained by other factors outside the model or not discussed in this research.

Table 4. Heteroscedasticity

<table>
<thead>
<tr>
<th>Variable</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Image</td>
<td>0.422</td>
</tr>
<tr>
<td>Promotion</td>
<td>0.319</td>
</tr>
</tbody>
</table>

Source: Processed Data, 2021

Table 4 shows that the significant totals are all >50% (0.05). By the standard from Glejser test used for this research, it can be concluded that there is no heteroscedasticity in this regression model.

Table 5. Multicollinearity Test Result

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>(Constant)</td>
<td>7.746</td>
<td>.935</td>
<td></td>
</tr>
<tr>
<td>Brand Image (X1)</td>
<td>.205</td>
<td>.065</td>
<td>.287</td>
</tr>
<tr>
<td>Promotion (X2)</td>
<td>.221</td>
<td>.059</td>
<td>.059</td>
</tr>
</tbody>
</table>

Source: Data Processed, 2021
Table 5 shows the result of multicollinearity test using Variance Inflation Factor (VIF). The tolerance of three independents variable that are Brand Image (X1) and Promotion (X2) are >0.100 in value. The Variance Inflation Factor (VIF) are also <10 in value; means that there is no multicollinearity in this research.

Table 6. F-Test

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>33.651</td>
<td>2</td>
<td>16.826</td>
<td>16.105</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>101.339</td>
<td>97</td>
<td>1.045</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>134.990</td>
<td>99</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Data Processed, 2021

Table 6 shows the value of Fcount is 16.105. The value of Ftable is found on the F Distribution Table by determining the degree of freedom 1 (numerator) is 2 and degree of freedom 2 (denumerator) is 97 with level of significance is 0.05 (α = 0.05) and the level of confidence is 95% then Ftable is 3.087. The result is Fcount (16.105) > Ftable (3.087). Therefore, since Fcount is greater than Ftable, Hypothesis 1 is accepted which means the independent variables simultaneously influence the dependent variable significantly.

Table 7. T-Test

<table>
<thead>
<tr>
<th>Variable</th>
<th>Tcount</th>
<th>Ttable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Image</td>
<td>3.147</td>
<td>1.984</td>
<td>Accepted</td>
</tr>
<tr>
<td>Promotion</td>
<td>3.729</td>
<td>1.984</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Source: Data Processed, 2021

The t-test is used to see the partial influence of each independent variable on the dependent variable. The value of t-count of X1 is 3.147 with the level significant of 0.002. Since the value of tcount = 3.147 > ttable = 1.984 meaning that H2 is accepted. Sig <0.05 means that the confidence of this prediction is above 95% and the probability of this prediction errors is below 5% which is 0.000. The result of this declares that X1 (Brand Image) partially does have a significant effect on Promotion (Y). The value of t-count of X2 is 3.729 with the level significant of 0.000. Since the value of tcount = 3.729 > ttable = 1.984 meaning that H3 is accepted. Sig <0.05 means that the confidence of this prediction is above 95% and the probability of this prediction errors is below 5% which is 0.000. The result of this declares that that X2 (Promotion) partially does have a significant effect on Brand Loyalty (Y).

Discussion

Brand image basically talk about how a brand is currently perceived in the market, company will try to make strategy on how the brand should be perceived if it is to achieve its objectives and continues with ensuring that the brand is perceived as planned and secures its objectives. From the research it can be noted that brand image with Tcount =3.147 > Ttable =1.984; meaning that partially brand image significantly influences brand loyalty as the dependent variable. Previous research stated that brand image has the most impact or influence toward brand loyalty. It can be assumed that according to the research, the idea of brand image has strong attachment toward brand loyalty. With previous research that already be done, there are similarities in which prove that brand image can significantly influence brand loyalty. Previous research stated that brand image has effect toward the purchase intention, which eventually lead to the increase rate of brand loyalty (Hulu and Ruswanti, 2017). Other research stated that brand image positively associated with several aspect such as brand extension and also brand loyalty.

These previous research articles show done through different method and in the end show the same outcome, in which brand image have positive impact toward brand loyalty (Anwar, Gulzar, Sohail and Akram, 2011). The theory within brand image is regarding the exposure of the brand toward the mass media or people, this exposure eventually leads to people to have different perspective and believes regarding the brand. Meaning that when a brand wants to do changes within their image, it will directly influence the brand loyalty as well. Many people that already know the origin of a certain brand tend to stay loyal toward the believers hold by the brand, if the company want to increase their image it will eventually increase the brand loyalty as well. Basically, brand image can determine whether or not the customers rely on the brand or stay loyal to the brand for a long term, when the image of a company is not good it tends to make the customers choose others brand. The current condition of customers now are customers tends to look upon the brand image and determine directly about the
quality from the image alone, cases of high-end brand which usually associated with quality product. The same happen with In-Drive online transportation, the research shows that brand image of In-Drive affect the brand loyalty of customers. Meaning that currently the brand image of In-Drive online transportation is well received; making the company need to capitalize on the current condition to make the brand bigger and better for the customers. Brand image of In-Drive which different compare to other competitor make them have their own sets of customers, it proves that the sense of loyalty toward the brand already exist currently and the company can furthermore improve it in the future.

Promotion on other hand is the idea of any type of marketing communication used to inform target audiences of the relative merits of a product, service, brand or issue, most of the time persuasive in nature. The aim of promotion is to increase awareness, create interest, and also to generate sales. From the research it can be noted that promotion with $T_{count} = 3.729 > T_{table} = 1.984$, meaning that partially promotion significantly influences brand loyalty as the dependent variable. This result is supported by previous research which stated that promotion influence the brand loyalty of customers (Nagar, 2009). Not only promotion can make certain customers shift to other brand, but also can make customers stay loyal within a certain brand with the right kind of promotion given. Promotion in its core basically talk about the way for the company to increase the awareness for their brand and eventually make people want to use or buy their products, this main idea of promotion already correlated with the idea of brand loyalty. Customers that already use a certain products or brand in a long run will do repurchase and become loyal if the brand give some benefits toward their loyalty that is when the promotion act as prominent aspect toward the loyalty of the customers. For example; people that have experienced many types of promotions from a certain brand will have tendency to become more loyal toward the brand. It is because the customers already have experiences in trusting and using the product from the brand, it will be hard for the customer to switch to new brand because the customer already have familiarity with the promotions from the brand that already existed.

Previous research also backed up the current research, it is stated that promotion effort done by a company can prevent the customers from switching brand and increase the brand loyalty (Nagar, 2009). The explanation regarding this result is basically customers have tendencies to be lured by promotions given by a certain brand; types of promotion such as discount, bundling products and more make customers want to do purchase even more. It also happened to the In-Drive online driver application; promotions given by the company proves to make customers become loyal toward the brand. Sense of reliability and getting competitive price from In-Drive application through the promotions given make the customers become certain of the brand; creating a better chance of having good brand loyalty. The uniqueness of In-Driver’s promotions makes the users have high brand loyalty, the idea of choosing the desired fee is one of the aspects that cannot be found from the competitors. Promotion such as special price also act as guarantee for the users to re-use the service from In-Drive as well. In the end, the result shows that promotions given by In-Drive brand now is on point and making people have more sense of loyalty regarding the brand. The result in the end shows that all independent variables which are promotion and brand image influence brand loyalty partially and also simultaneously. From the explanations above, the idea of over-exposure of product through promotion and familiarity and image given by a certain brand proves to be influential to those customers that want to stay loyal toward a brand. In this case In-Drive as one of the online driver application that try to get a better grip toward the market, exposure of promotions such as discount and also image of brand in which people can choose their own fee eventually can make customers become loyal toward In-Drive as a brand.

**CONCLUSION AND RECOMMENDATION**

**Conclusion**

1. The independent variables which are Brand Image and Promotion simultaneously affect the Brand Loyalty on In-Drive.
2. Brand Image as one of independent variables partially have a positive effect on Brand Loyalty of In-Drive as dependent variable.
3. Promotion as one of independent variables partially have a positive effect on Brand Loyalty of In-Drive as dependent variable.
Recommendation

As discussed above, Brand Image has positive effect on the Brand Loyalty. Meaning that by having good Brand Image, the company can have more Brand Loyalty which given by the customers. The suggestion for the company is by doing marketing campaign in order to do over-exposure toward the In-Driver as a brand, utilization of billboard, social media or even artists to showcase the brand can be the way for the company to show more regarding their brand image. By doing this, people will have more attention toward In-Driver as a brand. Based on the discussion, Promotion has positive effect to the Brand Loyalty. Meaning that the higher number of promotions given by the company, the higher chance of customers to be loyal toward the brand. The suggestion for the company is to do benchmark with other competitors and do implementation of unique type of promotions. Considering the age of In-Driver application which is relatively new within the market, the company can do benchmarking process with other competitors to see the types of promotion that suitable to the market. After benchmarking, the company can create their very own promotion in term of prices, services and more in order to attract customers and also retaining the current set of customers as well.

REFERENCES


