THE INFLUENCE OF BRAND IMAGE, SERVICE QUALITY AND PERCEIVED VALUE ON BRAND LOYALTY AND BRAND EQUITY TOYOTA AVANZA

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Abstract

This type of research is comparative causal research. This causal cooperative research aims to analyze the independent variable (independent) on the dependent variable. The research was conducted on Avanza car owners who service at the official Toyota repair shop, namely Auto2000 Balikpapan. This study aims to determine the main reasons consumers buy Toyota Avanza products, so this research needs to be done. The data collection technique used a questionnaire with a sample size of 100 people. The research results were analyzed using the Amos application. The results show an influence of brand image, service quality and perceived value on brand loyalty and equity. The Toyota Avanza can provide good service so that the sales level is increasing every year.

Keyword: *brand image; service quality; perceived value; loyalty; equity.*

Introduction

The rapid economic growth in a country increases the purchasing power and lifestyle of its people. The need for private means of transportation to support mobility in carrying out their activities related to meeting economic needs and sociological needs, such as raising individual social strata.

If a private car is categorized as a type of goods according to economics, it will be included in tertiary goods (luxury goods). Ownership of a vehicle is believed to be able to raise one's social class. For a society that is increasingly advanced in terms of economy, society and culture, the need for prestige is significant. Because according to Abraham Maslow, the need for appreciation is one of the five hierarchies of basic human needs.

The Toyota Avanza is one of the most popular types of family cars in Indonesia. this is evidenced by the condition of the sales of Toyota Avanza cars based on top brands.

MOBIL CITY CAR

BRAND	TBI 2021	
Daihatsu Ayla	14.6%	TOP
Honda Brio	12.2%	TOP
Honda Jazz	9.5%	
Toyota Agya	9.4%	

* Kategori online dan offline

MOBIL MPV

BRAND	TBI 2021	
Toyota Avanza	23.2%	TOP
Daihatsu Xenia	12.3%	TOP
Toyota Kijang Innova	7.5%	
Daihatsu Gran Max	1.9%	

* Kategori online dan offline

Picture 1. Top Brand Index 2021

Toyota Avanza 21,537 units, Honda Brio 18,800 units, Mitsubishi Xpander 14,556 units, Daihatsu Sigra 14,140 units, Suzuki Carry 13,993 units, Toyota Innova 13,867 units, Toyota Rush 12,889 units, Toyota Calya 12,585 units, Honda HR-V 7,807 units and Daihatsu Ayla 7,122 unit.

Picture 2. Most popular car brands (Wholesales)

The Toyota Avanza is very popular with people, both young and old, for men and women. So that sales of these products can be above average. Astra designed the Avanza product as a successor to the previous generation Avanza product, which was considered to have completed its technology life cycle, then innovated with a new release of the Veloz type with a variety of additional, more sporty accessories.

The high sales of the Avanza Type every year shows that consumers are more interested in using MPV products that can be used for a higher number of passengers. Thus, consumer choice followed by loyalty to the brand is a goal that the company expects to ultimately increase brand equity. Brand loyalty is primarily determined by

brand image, service quality, perceived value. So it is necessary to do further research to see the impact on these variables.

Based on the data, it is known that consumers make purchases limited to brands that are well-known and have been in Indonesia for a long time with the hope of convenience in the after-sales program. For this reason, it is necessary to do more profound research on the primary reasons consumers want to use Toyota Avanza products and their loyalty to the programs created by dealers.

Previous research stated that brand image have a significant effect on brand loyalty in (Bilgin, 2018). In increasing competitive markets, retaining actual customers and gaining new ones is the main aim of businesses. Businesses choose different ways for achieving customers and profits. One strategy businesses should adopt is building loyalty on (Tabaku & Kushi, 2013), the existence of a quality–value–satisfaction–loyalty chain and illustrate the complexity of value dimensions that have been shown to be highly sensitive to the tourism experience on Martina (Gallarza & Saura, 2006). brand passion and self-brand connection fully mediate the SQ–loyalty relationship in (Hemsley-Brown & Alnawas, 2016). the brand awareness and loyalty influence the brand equity at (Asif et al., 2015).

Research method

The design of this study is a causal-comparative study. Corporative causal research aims to analyze the effect of the independent variable (independent) on the dependent variable. This research is also a continuation of previous research, or it can be referred to as extended replication.
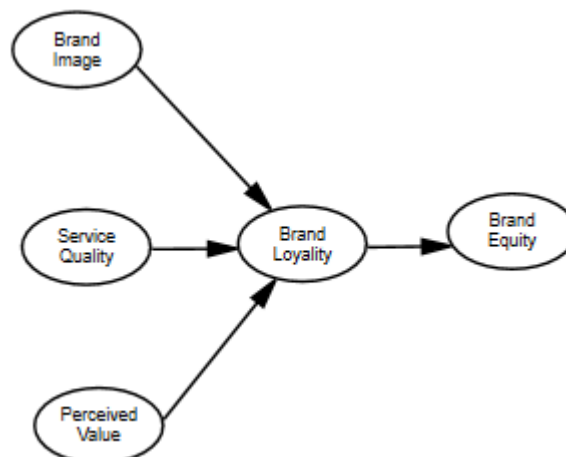

Figure 1. Research Model

The population of this research is consumers of Toyota Avanza buyers at Auto2000 MT Haryono Balikpapan around 1,866. This research sample was taken using the random sampling method. Random sampling allows each component of the population to have the same opportunity to be selected as a sample according to the criteria determined by the researcher. The requirements for the model are the customers of the Auto2000 MT Haryono Balikpapan service.

To determine the sample size, the Slovin formula is used with a sampling error rate of 10% (Hadi & Sumarto, 2012).

Formula :

n =   N   n = 1,866   n = 94.91

1 + Ne2   1 + 1,866 (0.1)¬2

Based on the above calculations, the sample size is 95 customers. Because using SEM with Max Like Hood, the sample used in this study is a minimum of 100 customers.

Result and Discussion

The analysis is a stage in this research that processes data that has been previously obtained in order to achieve the objectives to be completed in the research formulation that has been determined as at the beginning of the study. This analysis is to find out how brand loyalty can increase brand equity and analyze the dominant indicators and variables to increase the brand equity of the Toyota Avanza.
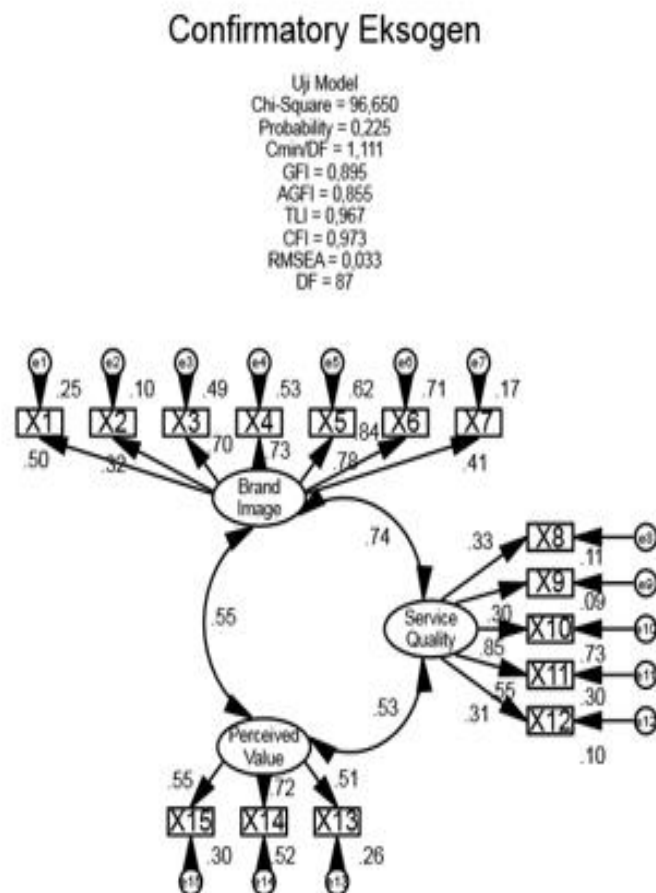

Figure 2. Analysis of Exogenous Construct Confirmatory Factors

Based on the results of the observations in the confirmatory factor analysis image on the exogenous construct, it can be shown that the model is feasible to be tested at the whole model stage, this is indicated by the value of the calculation results that meet the criteria for the fit of the model.

Table 1. Confirmatory Factor Model Test Results
Exogenous constructs

Kriteria	Cut of Value	Hasil	Evaluasi
Chi-Square	$\chi2$ dengan df : 87 ; p : 5% = 109.7733	96,650	Baik
Probability	$\geq$0,05	0,225	Baik
CMIN/DF	$\leq$2,00	1,111	Baik
GFI	$\geq$0,90	0,895	Marginal
AGFI	$\geq$0,90	0,855	Marginal
TLI	$\geq$0,95	0,967	Baik
CFI	$\geq$0,95	0,973	Baik
RMSEA	$\leq$0,08	0,033	Baik

Source: processed data

The results of the calculation of the chi-square test on the exogenous construct obtained a value of 96.650, which is still below the chi-square table for the 87 degrees of freedom at the 5% significant level of 109.7733. The probability value is 0.225, which value is above 0.05. The CMIN / DF value is 1.111, so it is still below 2.00. The GFI value of 0.895 is smaller than 0.90. AGFI of 0.867 is smaller than 0.90. The TLI value is 0.967, which is still above 0.95. The CFI value is 0.973, which is still above 0.95, and the RMSEA value is 0.033, which is still below 0.08.

These results indicate that the construct meets the criteria for the fit model (Goodness of Fit Indices). Besides the practical measures (indicator) of the brand image construct, service quality and perceived value are valid because they have a loading value above 0.5 so that none of the observed (indicators) is dropped (removed). Then these results indicate that the construct can be processed with a complete model.

Endogenous construct confirmatory factor analysis aims to test the unidimensionality of the indicators forming endogenous latent variables (constructs). These latent variables or endogenous constructs consist of 2 variables with six observed variables as their constituents. The test results of the endogenous construct confirmatory factors are then shown in the Figure and Table below:
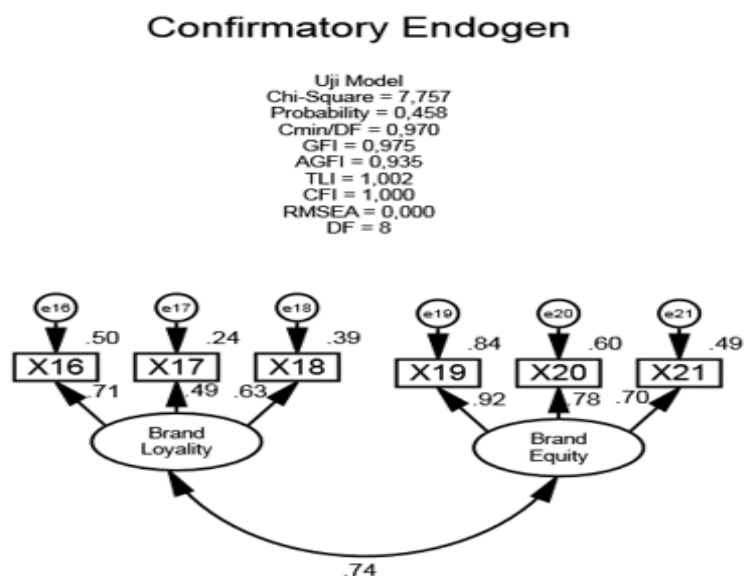
Figure 3. Analysis of Endogenous Construct Confirmatory Factors

Based on the results of the observations in the figure on the confirmatory factor analysis graph on the endogenous construct, it can be shown that the model is feasible to be tested at the whole model stage, this is indicated by the value of the calculation results that meet the eligibility criteria for the entire model.

Table 2. Endogenous Construct Confirmatory Factor Model Test Results

Kriteria	Cut of Value	Hasil	Evaluasi
Chi-Square	$\chi 2$ dengan df : 8 ; p : 5 % = 15.50731	7,757	Baik
Probability	$\geq$0,05	0,458	Baik
CMIN/DF	$\leq$2,00	0,970	Baik
GFI	$\geq$0,90	0,975	Baik
AGFI	$\geq$0,90	0,935	Baik
TLI	$\geq$0,95	1,002	Baik
CFI	$\geq$0,95	1,000	Baik
RMSEA	$\leq$0,08	0,000	Baik

Source; processed data

The results of the calculation of the chi-square test on the endogenous construct obtained a value of 7.757, which is still below the chi-square table for degrees of freedom eight at a significant level of 5% of 15.50731. The probability value is 0.458, which is the value above 0.05. The CMIN / DF value is 0.970, so it is still below 2.00. The GFI value is 0.975, and the AGFI value is 0.935, which is greater than 0.90. The TLI value is 1.002, which is still above 0.95, the CFI value is 1,000, which is still above 0.95, and the RMSEA value is 0,000, which is still below 0.08.

These results indicate that the endogenous construct meets the criteria for the fit model (Goodness-of-Fit Indices). In addition to the above criteria observed (indicators) of the constructs of brand loyalty and brand, equity is valid because they have a value

(loading factor) above 0.5 so that none of the observed (indicators) is dropped (removed). Then these results indicate that the construct can be processed with a complete model.

Structural Equation Model Analysis

The subsequent analysis is the analysis of the Structural Equation Model (SEM) in Full Model, which is intended to test the models and hypotheses developed in this study. Model testing in the Structural Equation Model is carried out by two tests, namely the model fit test and the causality significance test through the regression coefficient test. The results of data processing for SEM analysis are shown in the Figure and Table below:
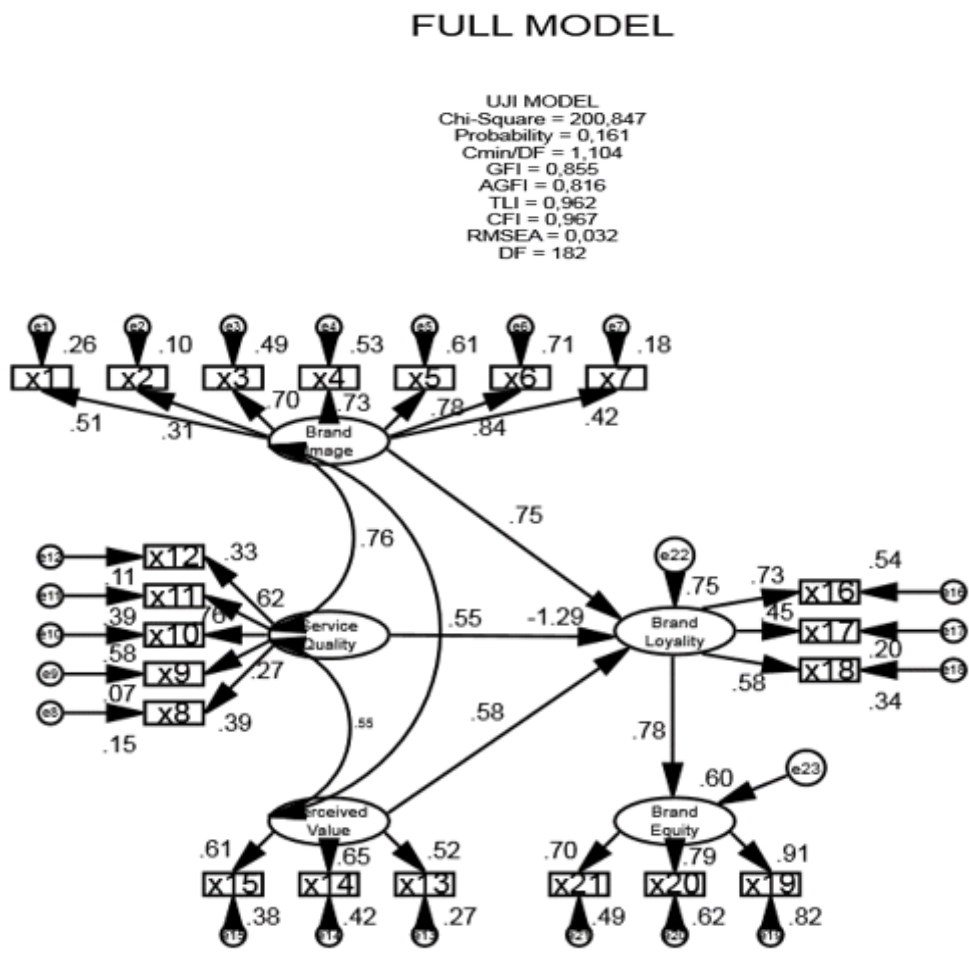

Figure 4. Structural Equation Model Test Results

Based on the results of the observations in the image on the entire model analysis chart, it can be shown that the model meets the fit criteria. This is indicated by the value of the calculation that meets the eligibility criteria for the entire model.

Table 3. Full Model Test Results

Criteria	Cut of Value	Result	Evaluation
Chi-Square	χ2 with df: 182 p: 5% = 214.4771	200,847	Good
Probability	$\geq$0.05	0.161	Good
CMIN / DF	$\leq$2.00	1,104	Good
GFI	$\geq$0.90	0.855	Marginal
AGFI	$\geq$0.90	0.816	Marginal
TLI	$\geq$0.95	0.962	Good
CFI	$\geq$0.95	0.967	Good
RMSEA	$\leq$0.08	0.032	Good

Source: processed data, 2015

The results of the calculation of the chi-square test on the endogenous construct obtained a value of 200.847, still below the chi-square table for 182 degrees of freedom at a 5% significant level of 214.4771. The probability value is 0.161, which is the value above 0.05. The CMIN / DF value is 1.104, so it is still below 2.00. The GFI value is 0.855, and AGFI is 0.816, which is smaller than 0.90. The TLI value is 0.962, which is still above 0.95, the CFI value is 0.967, which is still above 0.95, and the RMSEA value is 0.032, which is still below 0.08.

These results indicate that the Full Model meets the criteria for the fit model (Goodness of Fit Indices). In addition to the above criteria observed (the indicators) of the constructs of brand loyalty and brand, equity is valid because they have a value (loading factor) above 0.5 so that none of the observed (indicators) is dropped (removed).

Table 4. Results of Regression Weights Structural Analysis of EquationModeling

			Estimate	SE	CR	P	Label
Brand_Loyality	<---	Service_Quality	-3,529	1,378	-2,560	.010	par_17
Brand_Loyality	<---	Brand_Image	1,100	.511	2,150	.032	par_18
Brand_Loyality	<---	Perceived_Value	1,213	.574	2,114	.035	par_19
Brand_Equity	<---	Brand_Loyality	.912	.171	5,331	***	par_20
x1	<---	Brand_Image	1,000				
x2	<---	Brand_Image	.553	.205	2,693	.007	par_1
x3	<---	Brand_Image	1,310	.279	4,697	***	par_2
x4	<---	Brand_Image	1,135	.241	4,711	***	par_3
x5	<---	Brand_Image	1,323	.274	4,833	***	par_4
x6	<---	Brand_Image	1,483	.291	5,098	***	par_5
x7	<---	Brand_Image	.794	.233	3,404	***	par_6

			Estimate	SE	CR	P	Label
x8	<---	Service_Quality	1,000				
x9	<---	Service_Quality	.926	.456	2,030	.042	par_7
x10	<---	Service_Quality	2,062	.604	3,413	***	par_8
x11	<---	Service_Quality	1,710	.508	3,364	***	par_9
x12	<---	Service_Quality	1,176	.500	2,355	.019	par_10
x13	<---	Perceived_Value	1,000				
x14	<---	Perceived_Value	1,520	.406	3,748	***	par_11
x15	<---	Perceived_Value	1,449	.404	3,583	***	par_12
x16	<---	Brand_Loyality	1,000				
x17	<---	Brand_Loyality	.551	.150	3,669	***	par_13
x18	<---	Brand_Loyality	.756	.157	4,820	***	par_14
x19	<---	Brand_Equity	1,000				
x20	<---	Brand_Equity	.798	.096	8,311	***	par_15
x21	<---	Brand_Equity	.711	.092	7,730	***	par_16

Source: processed data, 2015

This hypothesis testing stage is to test the proposed research hypothesis. This hypothesis testing is based on processing research data using SEM analysis by analyzing the regression values shown in Table 5.7 (Regression Weights Analysis of Structural Equation Modeling).

Testing this hypothesis is by analyzing the value of the Critical Ratio (CR) and the Probability (P) value of the data processing results, compared with the required statistical limits, which are above 1.96 for the CR value and below 0.05 for the P-value.

If the results of data processing show a value that meets these requirements, the proposed research hypothesis can be accepted, and if it does not meet the criteria, the proposed research hypothesis is rejected. In detail, the research hypothesis testing will be discussed in stages according to the idea that has been submitted.

Uji First Hypothesis

Hypotheses First, in this study, brand image has a positive and significant effect on brand loyalty. Based on the data processing, it is known that the CR value of brand image on brand loyalty is 2,150, the P-value is 0.032.

These two values provide information that the effect of brand image on brand loyalty is acceptable because it meets the requirements above 1.96 for CR and below 0.05 for P values. Thus it can be said that the first hypothesis of this study is acceptable.

Uji Second Hypothesis

The second hypothesis in this study is that service quality has a positive and significant effect on brand loyalty. Based on the results of data processing, it is known that the CR value of service quality on brand loyalty is - 2.560 with a P-value of 0.010.

These two values provide information that the effect of service quality on brand loyalty cannot be accepted because it does not meet the requirements above 1.96 for CR; although it is below 0.05 for the P-value, thus it can be said that the second hypothesis of this study can be rejected.

Third Hypothesis Test

The third hypothesis in this study is that perceived value has a positive and significant effect on brand loyalty. Based on the results of data processing, it is known that the perceived value of CR value for brand loyalty is 2.114 with a P-value of 0.035.

The results of these two values provide information that the effect of perceived value on brand loyalty is acceptable because it meets the requirements above 1.96 for CR and below 0.05 for P values; thus, it can be said that the third hypothesis of this study is acceptable.

Uji Fourth Hypothesis

The fourth hypothesis in this study is brand loyalty has a positive and significant effect on brand equity. Based on the results of data processing, it is known that the CR value of brand loyalty to brand equity is 5.331 with a P-value of 0.000.

The results of these two values provide information that the effect of brand loyalty on brand equity is acceptable because it meets the requirements above 1.96 for CR and below 0.05 for P values; thus, it can be said that the fourth hypothesis of this study is acceptable.

Discussion of Research Hypotheses

The results of measurements carried out using SEM from the statistical software package AMOS 22.0 note that brand image and perceived value have a positive and significant effect on brand loyalty, brand loyalty has a positive and significant impact on brand equity, but service quality has a negative and significant impact on brand loyalty.

The influence of brand image on brand loyalty.

Consumers' perceptions of the Toyota Avanza brand image are obtained from a sufficiently mature learning process and thought process through purchasing decisions. With the rapid development of the market, consumers pay more attention to the brand image rather than product characteristics.

Currently, companies for the future are not only oriented towards products but also on brand image. This is done by expressing communication in the marketing process.

Based on the results of research data processing that has been done, it can be seen that the first hypothesis, which reads "brand image has a positive effect on brand loyalty", can be accepted.

The results of testing through SEM analysis tools show that the indicator of satisfaction/satisfaction that consumers feel towards the product (X6) is the most dominant indicator of brand image. This means that customer satisfaction with the product (X6) is a critical value in determining brand image. The better the excellent value of the Toyota Avanza, the better the brand image will be.

This shows that the brand image of the Toyota Avanza has been known and is in the minds of consumers, which means that there is product differentiation which is characterized by a high perception of quality so that it succeeds in providing customer satisfaction, customer loyalty and ultimately resulting in increased brand equity.

The hypothesis built in this study has similarities and strengthens the justification of previous studies, such as research by Rashid Saaed, (Al-Azzam, 2013); (Rizan et al., 2012); (Danny Bastia, 2014). states that "If consumers think that certain brands are physically different from competitors' brands, the brand image will stick continuously so that it can form loyalty to certain brands, which is called brand loyalty".

The effect of service quality on brand loyalty

Toyota Avanza consumers generally expect products in the form of goods or services that they consume can be accepted and enjoyed with excellent or satisfying service. They emphasise typically on excellent services or services that are trustworthy and fast, and precise.

The company, in this case, strives to be able to meet or exceed the expectations of its target customers for the quality of services or services it receives. The problem that is often encountered is managers who incorrectly estimate the level of expectations or desires of consumers, causing the expected quality of service or service not to be achieved.

Based on the results of research data processing that has been done, it can be seen that the second hypothesis, which says "service quality has a positive effect on brand loyalty", cannot be accepted.   Results of the analysis with SEM it is known that the indicator of Responsiveness/responsiveness (X10) is the most dominant indicator of service quality. This gives an understanding that there is no responsiveness to help customers and provide responsive service so that it cannot improve service quality.

This shows that the service quality for Toyota Avanza consumers is not in accordance with what is expected or desired, namely excellent and satisfying service quality, so that it can cause consumers to switch to other brands.

The effect of perceived value on brand loyalty

The measurement of perceived value or the benefits of product value is related to the perceived usefulness and satisfaction of consumers, which is a factor or determinant for product selection and purchase decisions.

Consumers' expectations for a product differ from person to person, for example, in terms of volume, quality and comfort. The sacrifices incurred by consumers also differ between people, for instance, in words of time, money and energy. Based on the results of the research data processing that has been done, it can be seen that the third hypothesis says "perceived value has a positive effect on brand loyalty", can be accepted.

The results of tests carried out using SEM analysis tools show that among other indicators, the indicator of brand reputation (X14) is the most dominant indicator of perceived value. This fact indicates that the brand reputation that has been in the minds of customers (X14) has an apparent effect on brand loyalty.

This shows that the perceived value or value of the total bid or maximum price paid by consumers for the Toyota Avanza is as expected or desired.

The hypotheses built in this study have similarities and strengthen the justification of previous studies, such as Ali, (AlMakrami, 2013), (Auka, 2012), (Luarn & Lin, 2003). Perceived value is also one of the most important marketing strategies in maintaining a company's competitive advantage through brand loyalty.

The effect of brand loyalty on brand equity

The existence of consumers who are loyal to the brand is essential for the company to survive. Loyalty is a deep commitment to repurchase a product or service that becomes a consistent reference in the future by purchasing the same rebrand even though there are national influences and marketing efforts that can lead to transitional behaviour.

Based on the results of the research data processing that has been done, it can be seen that the fourth hypothesis, which says "brand loyalty has a positive effect on brand equity", can be accepted.

The test results through the SEM analysis tool show that the join program indicator (X18) is the most dominant indicator, so that customer participation in various programs will increase the brand equity of the Toyota Avanza.

This shows that Toyota Avanza consumers have high brand loyalty so that they can increase trade and can attract new customers because they have the belief that buying a Toyota Avanza can reduce risk.

The hypotheses built in this study have similarities and strengthen the justification of previous studies, such as research by (Alhaddad, 2014); (Severi & Ling, 2013); (Emari & Zende Dell, 2012) and (Yasin et al., 2007). (Keller, 1993) states that the measurement of brand equity is strongly related to loyalty and the measurement part of new users becomes loyal users.

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Conclusion

From this discussion, the following conclusions were drawn:

The brand image of the Toyota Avanza has been recognized and is in the minds of consumers so that it has succeeded in providing customer satisfaction, customer loyalty, and ultimately generating high brand equity. Service quality for Toyota Avanza consumers is not in accordance with what is expected or desired, namely excellent and satisfying service quality that can cause consumers to switch to other brands. Perceived value or the value of the total bid or maximum price paid by consumers for the Toyota Avanza is according to expectations or desires. High brand loyalty can increase trade and can attract new customers because they have the belief that buying a Toyota Avanza can reduce risk.

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