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THE ROLE OF SERVICE QUALITY AS A MODERATOR OF THE INFLUENCE BRAND EXPERIENCE ON BRAND LOYALTY

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Abstract

The aviation market in Indonesia is increasingly competitive with the increasing number of commercial airlines operating. This condition results in a paradox for users and airline companies. For users, this is an advantage because of the increasingly varied choices of airlines. Meanwhile, for airline companies, it is a sign to maintain user loyalty to dominate the market. Companies need to take into account the perceived brand experience to preserve their users. Furthermore, this study tries to use service quality as a moderator to overcome the problem of differences in the results of empirical studies. Thus, this study intends to test the direct effect of brand experience on brand loyalty and service quality as a moderator. Quantitative research methods are considered appropriate to achieve the research objectives in this study. Determination of the research sample using a purposive sampling method. The online questionnaire was distributed directly to respondents and as many as 200 respondents gave complete answers. The *Structural equation Modeling Partial Least Square* (SEM PLS) analysis tool was chosen to test the measurement model (validity and reliability) and the structural model (hypothesis testing). Brand experience can leverage on brand loyalty by 19%. Furthermore, service quality has succeeded as a moderating effect of brand experience on brand loyalty.

Keywords: Service Quality, Brand Experience, Moderator, Brand Loyalty.

1. Introduction

Indonesia has a geographical area of the archipelago plus a demographic bonus of a population of ± 250 million people. This geographical area makes air transportation a top choice in supporting society's accessibility. Indonesia has the potential to become a major aviation industry market in Southeast Asia [9]. The aviation industry in this case supports the accessibility of society to carry out activities. This is the reason that makes air transportation users increase. Data from the Directorate of Civil Aviation stated that users of air transportation modes continued to increase for three consecutive years from 2015 to 2018. Increasing the number of air transportation users is also followed by an increasing number of airlines operating in Indonesia.

The enhancement number of airlines gives advantages for users air transportation in Indonesia to choose the airline brand following the criteria. Conversely, the enhancement number of brand choices for users produces a paradox for marketers. Users will have many choices to switch to rather than be loyal to certain brands [9]. Marketers in this case must immediately design strategies to attract consumers into long-term relationships.

Therefore, completing the paradox and successfully creating brand loyalty to users is one of the main objectives of marketers in an increasingly competitive and dynamic industry.

According to Hussein [11], companies with strong brand loyalty from consumers will have greater opportunities in maintaining competitive advantage, in dynamic business competition conditions. Brand loyalty is one of the intangible assets that support to achieve the company's competitive advantage [5]. Companies that succeed in creating brand loyalty will increase profits because it does not require large costs and resources to obtain new customers [7]. Besides, loyal consumers will give benefit to the company, because it will spread positive information about the brand to others [3]. By considering several benefits derived from consumer brand loyalty, companies need to conduct studies to analyze the antecedents of brand loyalty.

Some researchers have previously conducted studies on various drivers of brand loyalty. For example brand experience, brand awareness, brand image, brand satisfaction, brand love, and brand attachment [7] [15]. However, this research will focus more on brand experience as a predictor for brand loyalty.

Brand experience is very important in the process of establishing brand loyalty and reaching corporate business sustainability [17]. Brand experience also provides a critical contact point for stimulating multiple sensors that pull consumers towards the brand. In addition, brand experience also plays an important role in influencing brand loyalty [2] [11] [19]. The more positive experiences perceived by consumers towards a brand, the higher the brand loyalty. In tune with researchers who find evidence that brand experience has a positive effect on brand loyalty. In contrast, several studies found that brand experience did not significantly influence brand loyalty [12] [18].

The inconsistency of the results study indicates that there are other predictors that can support the direction or strength of the influence of brand experience on brand loyalty. This study then recommends service quality as a moderator to strengthen the effect of brand experience on brand loyalty for several reasons. First, service quality is one of the key indicators that influence consumer purchasing decisions [14]. Second, high-quality service has become a necessity in the aviation industry market and helps companies to achieve and preserve airline brand loyalty [10]. Third, consumers who obtain good service quality will feel satisfied and provide positive experiences [11] [21]. Thus, good service quality will further strengthen the positive brand experience and

further make consumers become loyal to use the brand. So this study will examine the role of moderating service quality on the impact of brand experience on brand loyalty.

2. Methodology

2.1. Research Design

The research design used in this study is a quantitative approach that functions to measure the role of moderating service quality on the influence of brand experience on brand loyalty in accordance with the research objectives. The unit of analysis used in this study is at the individual level.

2.2. Method of Collecting Data

Data collection in this study used a survey method of respondents. The data used are primary. While the type of data used is cross-sectional. So the data collection tool used is a questionnaire. This questionnaire contains statements to measure the variables of service quality, brand experience, and brand loyalty. The questionnaire in this study consists of two sections. The first section contains questions about the demographic characteristics of the respondents. The second part contains some statements about brand experience, brand loyalty, and service quality analyzed with a Likert measurement scale 1-5 (1 = strongly disagree, 2 = disagree, 3 = quite agree, 4 = agree, 5 = very agree).

This study decided to disseminate online with the intention that respondents could fill out questionnaires safely and comfortably to reduce the level of social propriety bias [6]. The questionnaire was then compiled in an online format because data collection used an online questionnaire. The preparation of this online questionnaire using features that are on Google Drive devices. Furthermore, the questionnaire link was distributed to respondents who were considered to meet the established criteria.

2.3. Population and Sample

The population in this study were all passengers of Garuda Indonesia airlines. Sampling using a non-probability sampling method with purposive sampling. This study establishes several criteria that must be met by prospective sample members. First, a minimum of three times using Garuda Indonesia airlines in the past six months. Second, passengers are at least 17 years old, because at that age it is assumed to be able to develop a critical mindset to make good decisions and be responsible for the decisions taken. The sample size to be analyzed at least has five times as many observations as the number of

variables, and the sample size will be accepted with a ratio of ten times as much as the observations of the number of variables [8]. So, the target sample in this study was 200, thus the number of respondents determined had fulfilled the statement.

2.4. Research Instrument

This research questionnaire was adapted from prior research. Table 1 show statement items used in this study were 32 items including 12 items of brand experience, 5 items of brand loyalty, and 15 items of service quality.

Table 2.1 Research Instrument

No	Variable	Instrument	Total
1.	Brand Experience	Adaptation from Brakus, et al., 2009	12
2.	Brand Loyalty	Adaptation from Kim, Kim, and Hyun, 2016	5
3.	Service Quality	Adaptation from Chang and Yeh, 2002	15

2.5. Data Analysis

Testing the hypothesis of this study using a variant-based SEM data analysis technique, namely Partially least square (PLS) with a statistical program Warp PLS 6.0. In SEM PLS there are measurement models for validity and reliability and structural models for hypothesis testing. Testing the hypothesis of this study will only use 30 items statement. That is because 2 items of statement from brand experience do not fulfill the convergent validity criteria. loading factor 2 items of the statement value less than 0.6 as shown in table 2. Table 2 also shows that the 3 variables of this study were stated to be reliable because the value of Cronbach's Alpha and Composite Reliability is greater than 0.7.

Table 3 shows the model fit indicators of this study have been fulfilled because APC and ARS are significant with p values less than 0.01. The AFVIF value is also less than 3.3, explaining that the use of moderating variables does not result in multicollinearity. Other goodness of fit model criteria can also be fulfilled properly.

3. Results and Discussion

Respondents of this research are 200 users of the Garuda Indonesia airline. Respondent characteristics include gender, age, profession, and income. The following is an overview of the characteristics of the respondents.

Table 3.1 Respondent Gender

Gender	Frequency	Percentage (%)
Laki-Laki	115	57.5%
Perempuan	85	42.5%
Total	200	100%

Source: Primary Data

Table 3.1 shows that 115 male respondents and 85 female respondents. Thus, this condition shows that the majority of respondents using the Garuda Indonesia airline are male.

Table 3.2 Respondent Age

Age Range	Frequency	Percentage (%)
17-30 years old	65	32.5%
31-40 years old	83	41.5%
41-50 years old	42	21%
> 50 years old	10	5%
Total	200	100%

Source: Primary Data

The age profile of respondents in Table 3.2 is known to be mostly in the age range of 31-40 years, namely 83 respondents (41.5%) of the total 200 respondents (100%). The second highest place is the age range of 17-30 years with 65 people (32.5%). Furthermore, the third place is the 41-50 years age range as many as 42 people (21%). Finally, at least 10 respondents are more than 50 years old (5%). This shows that respondents in the age range of 31-40 mostly use the Garuda Indonesia airline to travel.

Table 3.3 Respondent Profession

Profession	Frequency	Percentage (%)
Student	40	20%
Entrepreneur	65	32.5%
Private Employees/BUMN	50	25%
Government Employee	30	15%
Etc.	15	7.5%
Total	200	100%

Source: Primary Data

Table 3.3 shows that the dominating entrepreneur is 43%. This is caused by entrepreneurs who go on business trips.

Table 3.4 Respondent Income

Profession	Frequency	Percentage (%)
< Rp 2.500.000	40	20%
Rp 2.500.000 - 7.500.000	65	32.5%
Rp 7.501.000 - 12.500.000	45	25%
> Rp 12.500.000	30	15%
Total	200	100%

Source: Primary Data

Table 3.4 shows that Garuda Indonesia airline users who became respondents mostly had income between Rp. 7,500,000 - Rp. 12,500,000 and it could be said that they had a middle to the upper economic background.

The second stage of data analysis using SEM PLS is the measurement model. The measurement model is the hypothesis testing phase. The following are the results of testing the hypothesis.

Table 3.5 Hypothesis Testing Results

	Hypothesis	β	R ²	Effect Size	Decision
1	Brand experience influences brand loyalty.	0	0	0.14	H1 Supported
2	Service quality moderates the effect of brand experience on brand loyalty.	.36	.19		H2 Supported

Source: Primary Data, Output SEM PLS 6.0

The support of H1 proves that the experience of passengers when traveling using a better airline brand so that it continues to be faithful to re-use the airline on subsequent trips. The coefficient of determination (R²) is 0.19 which means that the brand experience variable can explain the variance of the brand loyalty variable by 19%; while the remaining 81% is explained by other factors not put in this model. The effect size for the effect of brand experience on brand loyalty by 0.14 (classified in the medium category). The results of the effect size analysis show that brand experience has a sufficient role from a practical perspective in increasing consumer loyalty in using airline brands.

Hypothesis 1 testing shows that consumer experience with brands can increase brand loyalty. These results reinforce some of the previous studies conducted by Brakus [2], Hussein [11], Ong [17], and Sahin [19]. Moreover, these results are consistent with the stimulus-organism-response theory. Humans will seek and receive stimuli in the form of pleasant sensory stimuli and avoid negative sensory stimuli. When humans get a positive and pleasant stimulus, it will activate their brain's performance to form a pleasant memory and move it to give a positive response. Currently, Garuda Indonesia has made efforts to provide a brand experience by stimulating consumers to use positive stimuli. This is manifested by the implementation of the Garuda Indonesia Experience strategy. This strategy focuses on providing experiences to consumers through the five senses (sight, sound, scent, taste, and touch) ranging from pre-journey, pre-flight, in-flight, post-flight, and post-journey services.

Garuda Indonesia seeks to stimulate consumers' thoughts to receive stimuli from the brand through vision (design, color, logo) by changing the visual image on the logo, aircraft livery, and aircraft interior. The current Garuda Indonesia airline logo design is in the form of a modern bird with the inscription of Garuda Indonesia which depicts the company's readiness to face open competition in the aviation industry both at national and international levels. The dominant colors in the logo are green and blue which reflect the natural colors of Indonesia. Green color reflects fertility, freshness, peace, and balance which can foster feelings of love, affection, and trust. Meanwhile, blue aims to show stability, intelligence, and self-confidence. Furthermore, Garuda Indonesia also uses a variety

of traditional textiles in bright colors, beautiful patterns, and unique textures for cabin crew uniforms. The interior design of the aircraft cabin also uses traditional Indonesian motifs and natural colors, supported by modern in-flight entertainment devices to pamper passengers' eyes. This condition provides warmth and inspires the soul of the passenger. Passengers will feel emotionally attached to the brand. Furthermore, stimuli are processed and only stimuli that are frequently exposed are then interpreted to produce a response. The sensory brand of the Garuda Indonesia airline provides a good experience for consumers. This good experience will make passengers airlines want to repeat that experience. Thus, a good brand experience will produce a good response in the form of brand loyalty.

Hypothesis 2 tests the moderating variable in this case service quality also shows a positive and significant coefficient at the level of 1%. This means that with high service quality, the influence of brand experience on brand loyalty will also be stronger. Hypothesis 2 proves that service quality moderates the influence of brand experience on brand loyalty. The concept of the Garuda Indonesia Experience in addition to involving the five senses also emphasizes the basic values of being on time and safe (about products), fast and precise (about processes), clean and comfortable (about buildings), and reliable, professional, competent and ready to help (about staff). Consumers give a positive response and accept the concept. The service quality received can affect consumers' perceptions and feelings. Service quality in this case has a large influence on overall benefits for the company [2]. This further increases passenger satisfaction and positive experiences. Thus, when the consumer experience on the brand is good and supported by service quality that matches expectations, it will further strengthen the positive experience. Passengers in these conditions will want to re-repeat positive experiences in the past.

4. Conclusion

Brand experience is proven to be a determinant of brand loyalty to airline users. The positive experience gained from sensory stimulation encourages users to reuse the airline brand. Service quality has succeeded in strengthening the positive experience of lighting airline users so that they continue to reuse the brand. In other words, service quality as a moderating influence of brand experience on brand loyalty.

5. Limitations and Recommendations

This study still own few limitations. First, this study only uses respondents from Garuda Indonesia airlines, while in Indonesia in 2017 there are 17 scheduled commercial airlines operating. Future studies are expected to use respondents from several airlines, both Full Service Carrier or Low Cost Carrier airlines. Second, this study only focus to obtain antecedents, so future study can consider the consequences of brand loyalty such word of mouth and repurchasing.

The findings of this study are expected to enrich the literature regarding the service quality, brand loyalty, and brand experience of airline passenger. Furthermore, the study results also contribute to providing a better understanding of the importance of maintaining consumer loyalty to dominate the market. The airline company in this case can design a non-price strategy by focusing on the best experience for passengers.

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