EFFECT PERCEIVED VALUE ON TRUST AND BRAND LOYALTY: PERSONALITY AS MODERATION VARIABLES

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Puposes of this study were to analyze the influence of perceived value on trust, perceived value and trust on brand loyalty as well as to analyze personality as moderation variable between perceived value and trust on brand loyalty. To test the empirical models, Cho-test sub-group moderation variable was used. Sample size of this research were 138 Facebook users in Jenderal Soedirman University. The results showed that perceived value have positive effect on trust, perceived value and trust have positive effect on brand loyalty, and personality are not moderated the relationship between perceived value and trust to brand loyalty.

Keywords: Perceived value, trust, brand loyalty, and personality.

The importance of brand loyalty has been recognized in marketing literature in three decades (Howard and Sheth, 1969, p. 232). While Rios and Riquelme, (2008) states that brand equity and branding is an important topic in the field of marketing, the importance of brands in marketing is also suggested by Neal and Strauss (2008) which states that the brand is the key assets of a business, especially in this era of competition hypercompetitive.

On the other hand, the development of information and communication technology has developed so rapidly. Since the development of Internet in the 1970s (Oetomo et al, 2007), experts and observers continue to develop the technology until the Internet became popular it is today with the number of users (Netter) are becoming more and more increasing. Since the era of Web 2.0 is an online business people have had the opportunity and develop new opportunities in online business to be more mature and evolving more rapidly. In the emerging field of marketing strategy in developing new business in cyberspace, the strategy is referred to as viral marketing.

Facebook is one social networking site attracted many Internet users in different countries, including Indonesia. Until January 2011 the number of members Facebook reaches 600 million users, or rather 596.3 million members worldwide (SocialBakers, 2011a). Indonesia was ranked the second largest after the United States is 34,498,920 million users (SocialBakers, 2011b). Users are very rapid progression used by marketers to apply the marketing strategy including branding strategy. However, little theoretical or empirical studies that attempt to identify the sources of brand equity and the variables that can influence it used to develop a measurement model of brand equity in the company's online (Rios & Riquelme, 2008). Besides, research on variables that affect brand loyalty have not inserted the type of personality, but personality can influence behavior, including attitudes toward the brand. Based on the above problems which is based on the results of previous research (research gaps) and the phenomenon of on-line business development it is necessary to study the variables that influence brand loyalty in the business on-line by placing the type of personality as a moderating variable.

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II. LITERATURE REVIEW AND DEVELOPMENT HYPOTHESIS

Kotler (2000), describing the value (value) is estimated consumers about product capacity to satisfy a set of goals. Kotler (2000), also defines value as "total get" divided by "total give". Trust has been recognized as important factors that influence customer loyalty. Definition of consumer trust by Rangkuti (2002:13) is "All knowledge of consumers and all conclusions made consumers about the objects, attributes and benefits. Sheth and Parvatiyar in Matzler (2008) suggests that the concept of brand trust is based on the idea of a consumer brand relationship which is seen as a substitute for human contact between companies and customers. Brand trust is one powerful factor that affects customer loyalty. Trust becomes the most important factor in the relationship between a company and its customers and the relationship between a brand with customers. The definition of brand trust by Chaudhuri and Holbrook (2001) is as "The willingness of the average consumer to RELY on the ability of the brand to perform its function Stated."

Lau and Lee (1999) suggests that brand trust is the willingness of customers in the face of the risks associated with the brand purchased, will provide a positive and profitable results. There are three factors that affect trust in the brand according to Lau and Lee (1999) is the brand itself, the manufacturer of the brand and consumers. The third factor relates to the three entities that include the brand relationship with consumers. Customer perceived value is critical of the long-term benefits (Mc Dougal and Levesque, 2000). In other words, consumer confidence will increase when the perceived value of customers based on what has been received and experienced by customers based on their sacrifices too high / customer perceived value (Berry and Yadav, 1996; Ravald and Gronroos, 1996).

Customer Perceived Value plays an important role in building customer confidence. Something similar was expressed by Sirdeshmukh et al., (2002). Consistency between product attributes and customer perceived value (the value received by customers) to reduce uncertainty and help build trust in a reliable form of expectations against the possibility of moving to another company (Carver & Scheier, 1990). Based on the above references, it can be said that the relationship between customer perceived value to the trust. Based on the above description then the hypothesis can be formulated as follows:

**H1: Perceived value has positive effect on trust.**

Brand loyalty reflects to customer's level of attachment to a brand (Durianto, Sugiarto, & Sitinjak, 2001) to perform transactions / purchases back to the product with the same brand. Value and satisfaction affects loyalty (Alireza, et al, 2011). Consumer perception of value has a positive influence loyalty (Chahal and Kumari, 2011). Quality of care or service value can be used to predict satisfaction and loyalty Thuy and Hau, (2010). Quality and value influence satisfaction which in turn affects loyalty (Li and Patric, 2010). The company's reputation has a direct influence on loyalty to the company on line, and mediate the relationship between perceive value and quality aspects of loyalty (Caruana and Ewing, 2010. Based on the description then the hypothesis can be formulated as follows:

**H2: Perceived values has positive effect on brand loyalty**

According to the theory of Trust Commitment (Morgan and Hunt, 1994), trust is key to keeping and maintaining long term relationships. Brand trust will lead to brand loyalty or commitment because trust will strengthen the relationship (Morgan and Hunt 1994). While the commitment is a desire to always maintain a relationship (Moorman, Zaltman, and Deshpande 1992, p. 316). Morgan and Hunt (1994) states that the trust will lead to the commitment of business to business relationships, therefore trus has effect on brand loyalty. Ndubisi (2007) mentions that loyalty can be created and strengthened by four factors, one of which is customer trust. Dwyer et al (1987) in his research states that the trust as a major element affecting the desire to establish long term relationships with companies. Research conducted by Chaudhuri and Holbrook, 2001; Lau and Lee, 1999 found that trust is an activator that affects brand loyalty in the minds of customers. Ruben et al., (2005) in research
studies on business on line also found that consumer confidence effect on customer loyalty. Reliance on the website generate loyalty to the website to users in China by Dianne Cyr (2008).

**H3: Trust has positive effect on brand loyalty**

Personality is a pattern of characteristics and the way a person behaves. Personality is determined by heredity and development is influenced by the environment (Hilgard, 1972). According to Young (in Suryabrata, 1998:185) human personality types can be classified into two namely extrovert and introvert. Extrovert personality types are individuals who have characteristics: sociable, like parties, have many friends, need others to talk and do not like reading or studying alone. People who extrovert mainly influenced by the objective world, which is something that exists outside of himself, drawn out orientation, thoughts, feelings, and actions are determined by the environment both socially and environmentally non-social environment. That person is positive for society, his heart open and sociable, relationships with others smoothly. Conversely those who are introverted type of individual who will have to have the characteristics: does not like to hang out, do not like to party, do not have many friends, do not need other people to talk and love to read or study alone. Based on personality traits mentioned above, it can be said that in relation to the intensity and ethics in the use of social networks of people who have extrovert personality types tend to have orientation to interact, find entertainment, make friends, find someone else to talk to, so the intensity of the higher use of social networking, otherwise people tend to be introverts berkeperibadian intensity of use of small social networks. These personality differences can cause differences in attitudes, including attitudes toward the brand on-line business. Based on the development of the hypothesis then the hypothesis can be formulated as follows:

**H4: Personality moderate the relationship between percieve value, trust on brand loyalty.**

Based on the above hypothesis model development the research model can be formulated as follows:

![Empirical Research Model](image)

**III. RESEARCH METHODS**

The population in this study is the user's social networking site Facebook. The large size of the sample (sample size) is determined according to Hair et al., (1998) which states that the size of a representative sample for analysis using Stuctural Equation Modeling (SEM) is the range between 100 to 200. Therefore in this study sample size was set at 138 Facebook users at the Jenderal Soedirman university, who was taken with accidental sampling method. Testing a model of empirical research using a chow test regresi moderation subgroups by using some software SPSS ver. 16.0, and Microsoft Excel Ver. 2007.
IV. RESULTS AND DISCUSSION

1. Goodness of Fit Model

The first regression equation model of the influence of brand trust on the brand value has $R^2 = 0.198$ with a F Stat. 33.656 and sig. 0.005 so the first model declared fit. Whereas in the second regression equation model influence brand value and brand trust to brand loyalty has $R^2 = 0.233$ with a value of F Stat 20.449 and the sig. 0.000 so that the both model declared fit.

2. Hypothesis testing

Based on regression analysis of the first model the influence of brand value to the brand trust obtained the following results:

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Std. Error</th>
<th>Beta</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1.420</td>
<td>2.928</td>
<td>.485</td>
<td>.628</td>
</tr>
<tr>
<td>Brand Value</td>
<td>.577</td>
<td>.099</td>
<td>.445</td>
<td>5.801</td>
</tr>
</tbody>
</table>

Dependent Variable: Brand Trust

Based on the output of the t stat (5.801) is greater than t table (1.978) and sig. (0.000) < alpha (0.05), then the first hypothesis which states brand value has positive effect on brand trust is accepted.

Table: 1

Results of Second Model Regression Analysis Influence of Brand Value and Brand Trust on Brand Loyalty

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Std. Error</th>
<th>Beta</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>2.189</td>
<td>3.373</td>
<td>.649</td>
<td>.517</td>
</tr>
<tr>
<td>Brand Value</td>
<td>.377</td>
<td>.128</td>
<td>.248</td>
<td>2.948</td>
</tr>
<tr>
<td>Brand Trust</td>
<td>.372</td>
<td>.099</td>
<td>.317</td>
<td>3.768</td>
</tr>
</tbody>
</table>

Dependent Variable: Brand Loyalty

Based on the output t stat brand value (5.801) is greater than t table (1.978) and of sig. (0.004) < alpha (0.05), then the second hypothesis which states brand value positive effect on brand loyalty is accepted, and t Stat brand value (5.801) is greater than t table (1.978) and sig. (0.000) < alpha (0.05), then the third hypothesis which states brand trust positive effect on brand loyalty is accepted.

To test the moderating influence of regression analysis is used sub-group with Chow Test (Ghozali, 2006) with the following formula:

\[
F = \frac{(RSSr - RSSur) / k}{(RSSur) / (n1 + n2 - 2k)}
\]

\[
F = \frac{(2148.769 - 2086.229) / 2}{(2086.229) / (138 - 4)} = 1.004
\]

Based on the analysis of test chow, calculated F values obtained for 1.004 is smaller than the value of F table with df (2; 134) of 3.064, it can be concluded that the regression equation between sub-groups of observations introvert and extrovert personality types did not differ, this shows that type of personality did not moderate the relationship between brand value and brand trust to brand loyalty.
3. Limitations and Future Research Agenda

Several limitations of this study can be described as follows: 1). Although the regression equation model fit, but its still very low of R2, either the first regression model and in the second regression model, therefore in future studies will need to add the independent variables as antecedents of brand trust and brand loyalty. The research found that personality type variables are not able to moderate the relationship between brand value and brand trust to brand loyalty, therefore, need to try another moderating variables such as product involment and variety seeking.

V. CONCLUSIONS AND RECOMMENDATIONS

1. Conclusion

The results showed that the value percieve positive influence on trust, value and confidence percieve positive influence on brand loyalty, moderation and not personality perecieve relationship between value and confidence to brand loyalty.

2. Suggestion

To increase brand loyalty facebook should enhance brand value that can be done by way of a good innovation on display sites, services, or features available to users more comfortable when using it, facebook always made simple, so easy to learn how to use it, improve the ease of site access facebook social network either through a PC computer, laptop, or mobile phone / smartphone., continuously improve the ability of facebook as a tool to communicate.

Daftar Pustaka


