

THE STUDY OF BRAND LOGO BENEFIT AND BRAND LOGO IDENTIFICATION TOWARD CUSTOMER LOYALTY INDEX OF LOCAL AIRLINE CARRIER IN INDONESIA TRANSPORTATION SETTING

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Today in Indonesia so many Local Airline operating and launched by Private Company, many people using this airline as one of the transportation for move to one place to another place. The aim of this study is to find out what is factor affecting Customer Loyalty Index in Airline Transportation Industry in Indonesia today, based on two antecedents variable, they are brand logo benefit, brand logo identification. The sample in this study is the respondents who had travel using local airline in Indonesia, minimize 4 (four) times a years as much as 350 respondents as sample of this research. Survey method is adopted for data collection, a questionnaire on the 5-Point Likert Scale was adopted among respondents who using Local Airline (Garuda, CitiLink, Lion and Sriwijaya). Test instrument data using validity and reliability test by using Cronbach's Alpha Correlation and Regression technique are used with Purposive random sampling technique using in this research. Testing of hypothesis using the p-value with the level of significant with alpha (α) of 0.05. The results of the testing showed that: (1). 32,6 % Brand Logo Identification in this study influencing Customer Loyalty Index, because brand always in the mind of customer; (2). 34,8% Brand logo Benefit has a positive effect the Customer Loyalty Index, company must create customer satisfaction day by day, and (3). 56.7% Brand Logo Identification and Brand Logo Benefit together have a positive effect the Customer Loyalty Index. Finally the resulted of this study they are plays a ritual role in influencing Loyalty of customer hence the need for all the Local Airline Transportation to practice all patient and courtesy day by day.

Keywords: Brand logo benefit, brand logo identification and customer loyalty index

Background of the Research

Based on the data by January base on Ministry of Transportation, years 2012 all Indonesian airlines have to run with at least fifteen aircraft where a minimum of seven aircraft should be owned by the company itself, this is regulation by Indonesia Government and this regulation is a must followed by operator. Good quality services will provide a positive impact for users in which users would respond to what has been given for customer satisfaction (Blackwell, 2012). The formulation of the problem of this study is whether there are:

1. Are the Effect between *Brand Logo Identification* toward *Customer Loyalty Index*?
2. Are the Effect between *Brand Logo Benefit* toward *Customer Loyalty Index*?
3. Are the Effect between *Brand Logo Identification* and *Brand logo Benefit* together have a positive effect the *Customer Loyalty Index*?

Theoretical Framework

Transportation Industry, especially Air Carrier is very tough competition and customer very aware to the value of service also brand. Customer delighted is the most common and very important strategies to win the competition of the airlines industry in the world (Fried, 1989; Gardner, 2004; Zaid, 1995). The definition of logo is a brand communications signals and provide instant recognition of the brand (Pittard et al., 2007). Logo brand overall benefit is a benefit or goodness incentives by the customer when using the products or services described through a brand logo. Park et al., (1995) says that the overall brand logo benefit has 3 major benefits to customers, namely: (1) as the expressive benefits or self identity, (2) as functional benefits, and (3) as an aesthetic appeal. According to Oliver (1999). Customer Loyalty Index is a conviction held to buy back the product or service they choose on a consistent basis in the future, thus causing repeated purchases with the same brand. Reynolds and Arnold (2000) describes the Customer Loyalty Index is the purchase of products or services repeatedly, insensitive to the price and recommend to others. Dick dan Basu (1994) argues that Customer Loyalty Index is multidimensional. According to Kotler and Armstrong (2012) is derived from the fulfillment of customer expectation, while the expectation comes from the experience of previous purchases by consumers, the opinions of friends and relatives, an information from the marketer or a competitor. There are some reasons for developing long-term relationships with consumers: (1). The high cost of new customer acquisition; (2) The loyal customers tend to spend more; (3) The satisfied customers will recommend company services or product; (4) The loyal customers will emphasize a competitor from the market. Always try give the best service to the customer consistently can create the best brand and airline industry is very competitive and very demanding from customer angle or side (Hung et al., 2003). Eventhough the term of service quality is very different, what customers perceive are important dimensions of quality in perception of customer and theoretical principles (Lewis, 1989). Gronroos (1982) and another theory form the expertise of Parasuraman, Zeithaml and Berry (1988) were the conceptualization of the service quality construct. According to Essinger and Wylie (2012) divides the product, especially in service industry, in several categories and a brief explanation, namely: (a) The quality in terms of taste: taste quality is maintained properly in accordance taste that consumers want, (b) Quantity or portions: the quantity or portion dishes in accordance with the wishes of consumers, (c) Variations menu and variations in the type of cuisine on offer: a varied menu of dishes served from the various types of cuisine and a variety of diverse types of cuisine, (d) The taste is typical: a distinctive taste different and exist only in a certain airline company, (e) Hygiene or hygiene: food hygiene is always maintained, (f) Innovation: Innovation of new dishes on offer makes the consumer does not get bored with monotonous product so that consumers have many choices. Price has the interpretation as a determinant of the quality of a product or service, (Olson and Haddock, 2011). Robinette and Clarie Brand (2013) states that of the customer is a new customer, every airline company would like to build long-term relationships with their customers, which in turn will enhance the growth of airline companies and achieve success. For this reason, the airline company tries hard to maintain relationships with other customers (other customers), and think of ways to deliver more value to customers, how to give higher satisfaction as well as a way to get to know their customers.

Research Methods

In this study using research hypothesis. Namely, the study aimed to test the hypothesis generally describe the characteristics of certain relationships or differences between groups or independence of two or more factors in a situation (Hermawan and Kristaung, 2014), which aims to test the effect of *Brand Logo Identification* , *Brand Logo Benefit* and *Customer Loyalty Index*. This study also uses data Cross-sectional study in which the observations of the consumers who've enjoyed the food at the airline company at the top of > 10 months. The unit of analysis is the individual, namely the consumers who've been to the airline company at least three (3) times within a period of six (6) months.

Validity Test

Test the validity relating to tests performed to determine whether all of the statements of the proposed research to measure the research variables are valid. Validity test is done by using Construct Validity (Hermawan and Kristaung, 2014). As for testing the validity of the SPSS version 20.0. This test by using Factor Analysis (FA), in which each statement must have anti-image correlation value is greater than 0.5. On the basis of the decision-making validity test is as follows:

- A. If the anti-image correlation ≥ 0.5 , then a valid statement items
- B. If the anti-image correlation < 0.5 , then the statement is not valid.

Hypothesis testing is done by using multiple regression method, while the basis for decision making hypotheses by comparing test *p-value* with significant level of 5% ($\alpha = 0.05$).

- A. If $\text{sig} \leq 0.05$, then the decision is hypothesis supported.
- B. If $\text{sig} > 0.05$ then the decision is hypothesis is not supported.

Hypothesis Testing Results

Hypothesis	Coefficient	Sig.	Decision
H ₁ : <i>Brand Logo Identification</i> has a positive effect on the <i>Customer Loyalty Index</i>	0.326	0.015	H ₁ Supported
H ₂ : <i>Brand Logo Benefit</i> has a positive effect on the <i>Customer Loyalty Index</i>	0.384	0.005	H ₂ Supported
H ₃ : <i>Brand logo Identification</i> and <i>Brand logo Benefit</i> on the <i>Customer Loyalty Index</i>	0.567	0.002	H ₃ Supported

Conclusion

at this time we can see that the satisfaction of konsume in aviation semaik increasingly demand more. Today the competition not only in fare, but the airline must do better than competitor do. The satisfaction cutomer can create postive word of mouth to another customer and give the value and profit to the company. Airline must crate keeping the

customers happy everytime and everywhere, only the company like this way can make profits. Based on the results obtained and the analysis in the previous chapters, it can be deduced that:

1. *Brand Logo Identification* in this study detected has a primary positive effect toward on *Customer Loyalty Index* → 32.6%
2. *Brand Logo Benefit* in this study detected has a primary positive effect on *Customer Loyalty Index* → 38.4%
3. *Brand Logo Identification* and *Brand Logo Benefit* in this study detected has a primary positive effect toward on *Customer Loyalty Index* → 56.7%

Suggestions for Future Research

As for suggestions that could be done to further research in order to correct existing deficiencies in the study as follows:

1. We recommend that future researchers add another variable influencing the relationship like any other variable in order to support the success of research.
2. We recommend that future researchers may spread questionnaires to more than 350 respondents that research results can be more representative of consumers' assessment of the airline company.
3. *Brand Logo Identification* and *Brand Logo Benefit* these shows that the impression that will either affect positive *Customer Loyalty Index* are good for consumers.

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