Influence Analysis of Product Quality and Brand Trust against Customer Satisfaction and Impact on Customer Loyalty Wardah Brand Cosmetics in Jabotabek

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Abstract:- The purpose of this research is to develop a comprehensive model by measuring the effect of product quality and brand trust on customer satisfaction, which impacts on customer loyalty. This research applies a descriptive research design using survey methods. Sampling uses convenient sampling as a sampling technique. This study uses the structural equation modeling (Lisrel) approach - Lisrel to test the influence of the significance of the overall model and predetermined pathway. The findings show that product quality and brand trust have a significant effect on customer satisfaction. Other results indicate that customer satisfaction is having a substantial impact on customer loyalty.

Keywords:- Product Quality, Brand Trust, Customer Satisfaction, and Customer Loyalty.

I. INTRODUCTION

Women are creatures that are identical to beauty, who always want to look beautiful in various circumstances and ever want to be the center of attention for their surroundings. It is the reason why women like to beautify themselves by using different kinds of cosmetics used. This condition used correctly by cosmetics manufacturers. The total population of Indonesia is about 266.91 million, consisting of 134 million men and 132.91 women based on 2015 projected inter-census population survey data, making Indonesia a promising market for cosmetics companies. Even though most of the cosmetics industry is aiming at the primary target consumers of women, lately, it has begun to innovate with products for men. The Ministry of Industry noted, in 2017, the national cosmetics industry grew to 6.35 percent and rose to 7.36 percent in the first quarter of 2018. It means that the performance of this sector is above domestic economic growth and expected to reach up to 7 percent throughout 2018, in line with startup growth and growing consumer needs. Also, the cosmetics industry in the country increased by 153 companies in 2017, bringing the total to now reach more than 760 companies. Of the total, as much as 95 percent of the national cosmetics industry is a small and medium industrial sector (IKM), and the rest is a large-scale industry. From medium and large scale industries, some of them have exported their products to countries in ASEAN, Africa, the Middle East, and others. In 2017, the export value of national cosmetic products reached USD516.99 million, an increase compared to 2016, which amounted to USD470.30 million.

The growth in cosmetics sales volume is supported by increased demand, especially from middle-class consumers. Cosmetics sales growth also drove by the upward trend in the use of cosmetics by men. In the past, men were not interested in buying masculine skincare products, but now their interest is high. Cosmetic market opportunities in Indonesia are still tremendous. Therefore, national cosmetic manufacturers need to meet the increasing needs of consumers. Moreover, the Ministry of Industry also provides incentives to encourage the development of commercial industries in the country.

Based on data from Sigma Research Indonesia (2017), conducted a study of 1200 Indonesian women with an age segment of 15-55 years. The research revealed that women consider several factors in buying cosmetic products. The most significant factor in the percentage is the suitability of the formula on facial skin (79.4%), followed by durable products (67.4%), lightweight formulas (62.2%), and the choice of color, halal, price by a percentage each is above 50%.

In the product selection process by customers, brands play an important role. Consumers will look for brands that can meet their expectations as promised by the brand. That's why customers consider brands in the product selection process when they intend to buy. If customers feel the benefits and quality of a brand, contact more satisfaction from a brand, and explore a brand that can fulfill their expectations, they will be more loyal to the brand. It creates a strong relationship between the customer and the brand and customer loyalty to the brand. Customer loyalty to the brand is not just one dimension. The existence of brand loyalty is possible when the customer feels that the product has the right characteristics according to the quality and price of the outcome expected by the customer.

The Wardah brand is a superior local brand that has existed for 20 years. Wardah is one of the local brands that carry the halal brand image on its products. These domestic brand cosmetics can take the attention of Indonesian
consumers because Wardah brand cosmetics instill halal value in the products they sell. It makes consumers feel safe and able to meet their expectations when using their products. Wardah presents innovative, reliable, lawful, and practical cosmetics to meet the needs and tastes of every woman.

Cosmetics' demands for halal products are getting bigger. It recognized that Muslim consumers are increasingly critical. The halal label is the key that influences consumers in deciding whether or not to buy a product. The existence of halal names in Wardah brand cosmetic products can also strengthen and enhance brand image, which directly or indirectly influences consumer perceptions.

Based on data obtained from the Top Brand Index, from 2017 to 2019, Wardah brand cosmetics became the most prominent brands in the categories of lipstick, blush, bb cream, and face powder. It shows that the quality of Wardah brand cosmetics is superior to other cosmetics brands, both local and imported. The data indicate that Wardah brand cosmetic products widely used by customers (market share), Wardah brand cosmetic products are always in the customer's mind (mind share), and Wardah brand cosmetic products will repurchase by customers (commitment share). It shows that Wardah brand cosmetic products can satisfy its customers, can meet the expectations of its customers, and make customers loyal to the Wardah brand.

II. LITERATURE REVIEW

The brand is the most critical part of a product. Brands can be an added value for goods and services. Every product and service product needs a brand that can help customers in the purchasing decision process, avoid risk, and customers get a brand that can meet their needs. Branding is essential, giving names to products and services that are easily recognized to be important because branding is a way to distinguish one product from another manufacturer (Keller, 2013:30). Products are goods and services offered to the market to get attention, acquisition, use, or consumption that meets the needs or wants (Keller, 2013:31).

Product quality is the ability of a product to carry out its functions, including durability, reliability, accuracy, ease of operation and repair, as well as other valuable attributes. (Kotler and Armstrong, 2012). Product quality is the ability of a company to provide identity or characteristics on each product so that consumers can recognize the product (Schiffman and Kanuk, 2007). Product quality is a consumer's assessment of the excellence or features of a product (Fandy Tjiptono, 2014).

Several researchers and practitioners have examined the relationship between product quality and satisfaction by Olsen (2002), Darsono, and Junaedi (2006). There are many models presented by Cronin and Taylor (1992) to examine the relationship between product quality and satisfaction. Some practical research also found that there is a supportive relationship between product quality and comfort (Lee and Back, 2008). In several other studies, there is a relationship between product quality and customer satisfaction (Brady and Robertson, 2001; Fornell, 1992; Tse and Wilton, 1988).

According to Gotlieb et al. (1994), there is a consistent relationship between product quality and customer satisfaction. If the relationship between product quality and comfort is steady, brand loyalty behavior will create. Thus the perceived quality has a positive effect on brand satisfaction.

➢ H1: Product quality has a significant effect on customer satisfaction

When someone has confidence that other people involved in exchange have reliability and sincerity, then it can be said that there is trust (Morgan and Hunt, 1994: 23). Trust as an individual's willingness to depend on other parties for certain risks (Worchel, 1979) as quoted by (Lau and Lee, 1999: 343). Trust as an individual's willingness to depend on other parties involved in the exchange because the individual has confidence in the other party (Moorman et al., 1993: 82). If individuals trust other parties, then the possibility of the formation of positive behavioral intentions towards the other party is also greater (Boon and Holmes (1991) in Lau and Lee (1999: 343). It means that when customers trust a particular brand, then the possibility of forming real buying interest towards the brand is also higher. Intention or attention is the behavior in which the customer is familiar with the products and services introduced. Lau and Lee (1999: 343) describe trust in brands as consumers' willingness to believe in brands that are faced with risk and have hopes that the brand will produce positive results by including an element of desire in trust in brands that carry the consequence of belief in the brand is loyalty. Trust also means the belief that someone will find what they want from others, not what Deutsch dreads in Delgado and Munuera (2005: 6). Trust is essential for consumers because trust will help reduce the sacrifice of time and consumer risk to the brand (Kapferer, 2008: 26). Trust in a brand will enable consumers to simplify the brand selection process and reduce the time needed to make a purchasing decision. Trust in brands can also reduce uncertain purchases. It is the benefit that can gain from the brand trust. Trust is part of the credibility of the brand that will affect the background of a brand's selection and also the tendency of choice on specific brands (Erdem and Swait, 2004).

Satisfaction with a brand can define as a result of a subjective evaluation that the chosen alternative brands meet or exceed consumer expectations. Fulfilling promises (Promise) is an antecedent for trust in industrial marketing relations. When customers are satisfied with a brand after using the brand, then in the same situation, satisfaction with a brand will also be fulfilled. When a brand has kept its promise, customers will most likely trust the brand.
H2: Brand trust has a significant effect on Customer Satisfaction.

Satisfaction with a brand means customer satisfaction with a brand that they use. The primary determinant of customer satisfaction is the difference between customer experience and their expectations and brand positioning that shape customer expectations (Kapferer, 2008: 38). Satisfaction is someone's happy or disappointed feelings that result from comparing the perceived product performance (or results) with their expectations and expectations (Kotler and Keller, 2012: 76). Customer satisfaction as an individual's perception of the performance of a product or service is related to customer expectations. Customer satisfaction defined as a post-purchase evaluation where the alternatives chose at least give the same or exceed customer expectations (Schiffman and Kanuk, 2007). Customer satisfaction, namely customer assessment of product and service features, or the product and service itself, provides a satisfying level of needs related to consumption, including levels of under-fulfillment and over-fulfillment (Oliver in Tjiptono and Chandra, 2011: 294).

Brand loyalty, in the opinion of Rangkuti (2002), is a measure of consumer loyalty to a brand. According to Schiffman and Kanuk (2009), brand loyalty is a consistent consumer preference for making purchases of the same brand on specific products or certain service categories.

H3: Customer Satisfaction has a significant effect on customer loyalty.

III. THEORETICAL FRAMEWORK

Based on the formulation of the problem in the first chapter, a description of the theories and previous studies regarding the influence of the dimensions of perceived quality, service quality and perceived value of customer satisfaction and brand trust variables and the influence of customer satisfaction and brand trust variables on brand loyalty, the framework. The theoretical proposed in this study is described as follows:

- **H1:** Product quality has a significant effect on customer satisfaction.
- **H2:** Brand trust has a significant effect on Customer Satisfaction.
- **H3:** Customer Satisfaction has a significant effect on customer loyalty.

IV. RESEARCH METHODOLOGY

The research design used by the author in this research is conclusive research, and the types are multiple crosses – sectional descriptive study and causal analysis. The data collection method used in this research is the quantitative research method using a survey method by conducting a structured interview with respondents by using a questionnaire designed to obtain specific information. The statement expressed in the poll created by using 1-5 scale (Likert scale which developed) to collect the data that nature is interval and will give a score or value (1 = strongly disagree, 2 = disagree, 3 = Neutral, 4 = agree, 5 = firmly accept).

The variables used in this study are the exogenous variable (product quality and brand trust), intervening variable (customer satisfaction), and the endogenous variable (customer loyalty).

A convenient sampling technique is a sampling technique with selecting samples based on availability of samples and ease of obtaining them, samples are selected because they are in the right place and time. Someone was taken as a sample because they happened to be there or just happened to know the person. The sample in this study were all cosmetics customers who bought Wardah brand cosmetics at sales counters and Wardah Beauty House showrooms in the Jabotebek Region, from 1 July - 31 July 2019. Determination of the minimum representative sample size to achieve 80 percent power at α = 5%, according to Hair (2006) in Jogiyanto (2015:183), is as much as 5, or better if ten samples per indicator for the estimation model. So the number of samples is equal to the number of indicators used multiplied by five to ten. Following the minimum requirements for the number of samples, the number of samples used in this study is the number of indicators used (23 indicators) multiplied by five, so that the total number of samples used in this study is 115 samples. But in this study, 125 samples were collected.

Considering the model in this research is the casualty (relationship/cause and effect) model. The validity and reliability test is the first test, and the hypothesis test is to analyze the data in this study using the Structural Equation Modeling (SEM) method and the data processing using the LISREL 8.80 program. According to Sarwono (2015:2), the SEM method is a statistical technique used to construct and test statistical models that are usually in the form of causal models. According to Jogiyanto (2015:140), a model in the form of a structure of many dependent variables can analyze using SEM techniques.

According to Sarjono (2015), SEM is a multivariate analysis that can explain the relationship between variables in a more sophisticated way.
V. RESULT AND ANALYSIS

Demographics in this study dominated by a female as much as 94%. With ages from 20 to 30 years old as much as 67%, with jobs position as private employees as much as 53%, with last education of bachelor as much as 58%, whose spend money per month is below 2.5 – 5 million rupiahs as many as 36%, with married status as much as 54%.

The model formed in this research is evaluating several tests conducted to answer whether the latent variables studied are product quality, brand trust, and customer satisfaction as well as customer loyalty which are consistently and accurately explained by each construct indicator. For this reason, there are three phases of testing carried out, these three phases namely the overall model suitability test, the strongest measurement, and finally the strongest structural equation.

Hypothesis testing proposed in this study is carried out by structural equation modeling, namely the method of measurement analysis confirmatory factor analysis of the first stage which uses the Lisrel 8.80 program. Confirmatory factor analysis is used, namely to test the dimensions of a construct. As for in general, before the researcher analyzes the structural model, the researcher should first take a measurement model to verify the validity and reliability of the indicators that form the latent construct by conducting confirmatory factor analysis.

The validity test in this study uses the Confirmatory Factor Analysis model. In this test, which should be noted the value of Standardize Loading Factor (SLF). Questions will be considered valid if they have an SLF value and the Extraction is greater than 0.5. The reliability test shows that its function is to measure the extent to which the measuring instrument can provide relatively the same results if measurements are made again on the same object as well. Reliability in this study was calculated using the Variance Extract and Construct Reliability formula. The higher the value of the calculation results, means that the constituent indicators for latent variables are reliable indicators for measuring latent variables. The recommended construct reliability value is more significant than 0.7, while the feasibility measure of the extract variance suggested is more significant than 0.5.

Based on the results of the validity test on variables for product quality, that the seven indicators are tested to produce a loading factor value> 0.5. Then the seven indicators are valid results. The results of the validity test of brand trust variables; all 5 indicators have been tested making the loading factor> 0.5. Then the five statement indicators are accurate. Test results of the validity of customer satisfaction variables; all 5 indicators that have been tested produce a loading factor value> 0.5. Then the five statement indicators are valid. The results of the validity test of customer loyalty variables; all 6 indicators have been tested making the loading factor value> 0.5. Then there are 6 accurate statement indicators.

In the validity test in this study, it appears that all indicators of product quality variables, brand trust, that customer satisfaction, and customer loyalty which are processed using the LISREL program. All indicators are standardized loading factor values> 0.5. Then all indicators are considered valid. In this study, all indicators used in this study are accurate and can also include testing the most appropriate structural models.

Based on the results of the reliability test in this study the product quality variable, there are 7 indicators tested and produce a value of Construct Reliability value = 0.82> 0.70, then there are 7 indicators that have a good internal consistency, Extract Variance Value = 0.40 < 0.50, then the variant extracted from the 5 indicators is smaller for the formation of latent variables. Reliability test results on brand trust variables, there are 5 indicators that have been tested to produce Construct Reliability value = 0.91> 0.70, then there are 5 indicators that have a good internal consistency value, Extract Variance Value = 0.67 > 0.50 , then the variant extracted from 5 indicators is greater for the formation of latent variables. The reliability test results on the variable customer satisfaction as follows, there are 5 indicators that have been tested to produce a value of Construct Reliability of = 0.78> 0.70, then there are 5 indicators that have internal consistency with good results, the Variance Extract value of 0.43 < 0.50, then the variant extracted from there are 5 indicators, namely smaller for the formation of latent variables. The reliability test results on the customer loyalty variable, there are 6 indicators that have been tested in this study resulted in the value of Construct Reliability = 0.85> 0.70, then there are 6 indicators having internal consistency with good results, Extract Variance Value = 0.51 > 0.50, then the variance extracted from 6 indicators is greater for the formation of latent variables.

The reliability test results in this study indicate that the construct reliability value> 0.7 and extract variance value> 0.5, then all indicators are considered reliable. In this study, all indicators in the variables of service quality, brand trust, customer satisfaction, and customer loyalty indicate that the constituent indicators are reliable indicators for measuring these latent variables and can provide relatively the same results if measurements are repeated on the same object.

The overall model fit test is carried out with the aim of seeing how well the model is produced and describing the actual conditions. Data processing is performed using the maximum likelihood method in the Lisrel 8.80 Program.
The results of the SEM analysis illustrate with a GFI value of 0.91 (suitable), RMSEA value of 0.049 <0.08 (good fit), and a value of RMR 0.037 <0.05 (good fit), this means that the structural equation model has fulfilled the model requirements of absolute compatibility which means the model of structural equation in this study is, overall it has a match with the available data. Value of AGFI 0.89> 0.8 (marginal match), NFI 0.9 0.90 (good match), value of CFI 0.93 ≥ 0.90 (good match), IFI 0.93 ≥ 0.90 (marginal fit), RFI 0.89> 0.80 (marginal match), indicating that the model of structural equation has fulfilled the requirements of additional model fit, which means that the structural equation model of the whole in this study has comparative compatibility with baseline model (zero model). Therefore, as a whole, the structural equation model in this study is considered good and can also provide an exact picture of the research data.

The structural model fit analysis aims to examine the relationship between exogenous variables and endogenous variables that have been hypothesized in the study, whether the correlation coefficient between the variables in this study is statistically significant. seen in table 2 that contains Factors and Path Diagrams of Structural Model T-Value Models.

<table>
<thead>
<tr>
<th>Structural Path</th>
<th>Path coefficient</th>
<th>t value</th>
<th>t-value standard</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Quality --&gt; Customer Satisfaction</td>
<td>0.34</td>
<td>3.06</td>
<td>1.96</td>
<td>Positive and Significant</td>
</tr>
<tr>
<td>Brand Trust --&gt; Customer Satisfaction</td>
<td>0.64</td>
<td>5.28</td>
<td>1.96</td>
<td>Positive and Significant</td>
</tr>
<tr>
<td>Customer Satisfaction --&gt; Customer Loyalty</td>
<td>0.89</td>
<td>8.47</td>
<td>1.96</td>
<td>Positive and Significant</td>
</tr>
</tbody>
</table>

Based on Table 2 above, it can be explained that product quality can be indicated, namely having a very close relationship and directly with customer satisfaction (path coefficient = 0.30) and a significant effect due to the t value of 3.06, namely higher from 1.96. Brand trust indicates that it has a close relationship directly to customer satisfaction (path coefficient = 0.64) and a significant influence because it has a t-value of 5.28, which is higher than 1.96. Customer satisfaction is indicated to have a close and direct relationship with customer loyalty (path coefficient = 0.89) and a significant effect because the t-value is 8.47 higher than 1.96.

Based on Table 2 above, it can be concluded that the product quality variable is having a significant influence on customer satisfaction, the conclusion can be drawn which is indicated by the t-value 3.06 higher than t-table 1.96. Most of the respondents in this study were women aged 20-30 years, private workers, and undergraduate education. They are satisfied that their needs are being met because the quality of Wardah brand cosmetic products is produced by selected ingredients, natural and safe, using the latest technology and formulations. They follow the standards of international dermatologists with natural ingredients. The production process, through careful monitoring tests from experts and dermatologists, provides comprehensive protection because the outer layer of Asian women's skin tends to be thinner, making it more sensitive and susceptible to external factors.

Based on Table 2, it can conclude that the brand trust variable significantly influences customer satisfaction. It indicated by the t-value value of 5.28, which is higher than the t-table of 1.96. Most of the respondents in this study were women aged 20-30 years, private workers, and undergraduate education. They felt that Wardah brand
products were cosmetics that guaranteed in terms of quality, legality, and safety. Wardah brand cosmetics have registered with the Food and Drug Supervisory Agency (BPOM) and cosmetics, which are not only superior in terms of quality and safety but also halal terms.

Based on Table 2, it can be concluded that the variable customer satisfaction has a significant influence on customer loyalty. It indicated by the t-value of 8.47, which is the same as the condition of the t value of 1.96. Most of the respondents in this study were women, aged 20-30 years, private workers, and undergraduate education, they were satisfied with Wardah either according to their needs, the price was quite low, easy to obtain, and the service and results were satisfactory.

This study shows that product quality and brand trust variables directly have a positive and significant effect on customer satisfaction. Still, this effect will be optimal if product quality and brand trust together affect customer satisfaction, as shown in the structural equation results of the LISREL 8.80 analysis below:

\[
\text{Cust. Satisfaction} = 0.34 \times \text{Product Quality} + 0.64 \times \text{Brand Trust}, \quad \text{Errorvar.} = 0.13, \quad R^2 = 0.87
\]

\begin{align*}
(0.12) & \quad 3.06 \\
(0.11) & \quad 5.28
\end{align*}

The equation shows that product quality and brand trust variables together have a positive and significant effect of 87% on customer satisfaction, while other factors influence 13% on customer satisfaction. By maintaining the product quality and brand trust together, Wardah as a cosmetic product, can have the opportunity to get 87% customer satisfaction.

VI. CONCLUSION

The strong dominance of Wardah brand cosmetics products in the cosmetics product industry continues to experience pressure from its competitors, both local and global brands. It causes the market share to fluctuate year by year. But the brand is getting more influential in the minds of the people, and the brand image is getting stronger. Based on the results of the hypothesis test, several conclusions can explain:

- Product quality has a significant effect on customer satisfaction Wardah in Greater Jakarta. It indicates the value of t product quality of 3.06 so that t count > t table 1.96.
- Brand trust significantly influences Wardah's customer satisfaction in Jabodetabek. It indicates the value of t brand trust of 5.28, so that t count > t table 1.96.
- The customer satisfaction variable significantly influences Wardah's customer loyalty in Jabodetabek. It indicates the value of t count customer satisfaction of 8.47 so that t count > t table 1.96.

SUGGESTION

Based on the findings in this study, several suggestions can explain as follows:

- Theoretically
  From the results of hypothesis testing using structural equations, SEM LISREL 8.80 analysis results show that R2 = 0.87, this indicates that product quality and brand trust variables together significantly influence 87% of customer satisfaction. In contrast, other factors influence by 13% to customer satisfaction. By maintaining product quality and brand trust together, PT. PTI, as a producer, can get 87% of customer satisfaction. Other variables not examined in this study are the variables covered by 4P (Price, Place, and Promotion) and brand equity (brand image). Low and affordable prices, places that are easy to reach, and attractive advertisements can influence customers to buy and use Wardah brand cosmetic products. The author does not examine these variables, which have a contribution of 13% to customer satisfaction.

Suggestions that can be given by researchers for further research are, subsequent studies can examine again with the same variables studied by researchers because the R2 generated from this research is 0.87. However, it can suggest that research conducted with the same variables can do in different cities and regions. To find out how much product quality and brand trust variables affect customer loyalty through customer satisfaction in other towns and areas.

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