

Creating Customer Loyalty Based on Brand Image, Service Quality, Learning Quality, by Mediation of Customer Trust in Purwacaraka Music Studio

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Abstract

The purpose of this research is to understand what contributes to customer loyalty, such as brand image, quality of service, and quality of learning. The analytical method to be used in this study is quantitative analysis using the Smart PLS (Partial Least Squares) method. The Smart PLS method is an appropriate method for examining the relationship between complex construct variables and for understanding the mediating effect between these variables. We will analyze the relationship between brand image, service quality, learning quality, customer trust and customer loyalty at Purwa Caraka Music Studio using data collected through a survey of active customers. The sample used was 200 people. The results showed that customer trust proved to play a mediating role in creating customer loyalty based on brand image, service quality, and learning quality. However, these results have not been explored further in the past, and can be used as a performance evaluation for other Purwa Caraka Music Studio Branches and studies for future marketing strategy programs.

Keywords: Brand Image, Customer Loyalty, Customer Trust, Learning Quality, Service Quality

Introduction

In the era of globalization and increasingly fierce business competition, creating and maintaining customer loyalty has become a significant challenge for companies. Customers are increasingly critical in choosing products and making comparisons according to their wishes (Liu et al., 2020). Easy access to information and increasingly fierce competition in the market make it easy for customers to find products or services that provide high value, good quality, and according to their preferences (Yatminiwati et al., 2021). Courses and training institutions are also facing environmental changes in an effort to meet customer needs and maintain their trust. Changes that continue to change rapidly, customer needs and expectations for courses and training are also evolving. It is important for course and training institutions to understand the factors that influence customer loyalty. Customer loyalty is not only important in maintaining market share, but also a major factor contributing to the long-term growth of a company. To achieve a high level of loyalty, companies need to pay attention to several relationships, such as brand image, service quality, and teaching quality (Jayabalan et al., 2021).

A strong brand image has a very important role in influencing customer perceptions and preferences. Brand image reflects the identity, reputation and values associated with a company. When customers identify themselves with a positive brand image, they tend to feel emotionally

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connected and have trust in the company. A positive brand image can provide a solid basis for creating customer loyalty, because customers tend to choose brands that they perceive as consistent and reliable (Kotler & Keller, 2014). In addition to brand image, service quality also plays a very important role in forming customer loyalty. High service quality covers various aspects, such as response speed, employee friendliness, service efficiency, and the company's ability to meet customer needs. When a company is able to provide consistent and superior service, customers feel valued and satisfied with the experience they get. Good service quality can help build close relationships between companies and customers, which in turn can increase loyalty levels (Tjiptono, 2022). Teaching quality is also a factor that should not be ignored in achieving sustainable customer loyalty (Sudiantini et al., 2023) teaching quality includes a company's ability to provide relevant information, in-depth knowledge, and adequate experience to customers. When a company is able to provide good teaching, customers feel helped and supported in making the right decisions. High teaching quality also helps build customer trust in the company and strengthen customer-company relationships. However, these factors do not stand alone in creating strong customer loyalty. Customer trust plays a crucial role as a mediating factor that links brand image, service quality, and teaching quality with customer loyalty. Customer trust reflects confidence and assurance that the company will fulfill promises made, maintain customer data security, and act with integrity. Strong trust allows customers to feel safe and comfortable in establishing a relationship with the company, as well as increasing their likelihood of remaining loyal (Cui et al., 2023).

Purwacaraka is a course and training institution that has become one of the main players in the education industry in Indonesia. However, with increasingly fierce competition in this sector, creating customer loyalty is crucial to maintaining market share and the long-term success of a course and training institution (Purwa Caraka Music Studio). Therefore, it is important to have an in-depth understanding of the company's roles and interactions in order to develop the right strategy to improve brand image, service quality, and teaching quality, as well as build solid customer trust. Thus, companies can achieve a high level of loyalty and gain a competitive advantage in a competitive market.

Methods

The research design used in this research is descriptive research with a quantitative approach, namely a method in examining the status of a group of people, an object, a condition, a situation, a system of thought. This research used a descriptive approach using a survey method. The survey method was carried out to obtain facts from existing phenomena and seek information in real terms. In a survey, this information was collected from the answers of respondents who were used as research objects using a questionnaire (Sari et al., 2023). The population of this research is all MSME consumers in Lumajang Regency. The sample in this study was taken from all parents and guardians of students at Purwacaraka Music Studio, Jember Branch. The data collection technique used is a non-probability sampling technique through a purposive sampling approach. Purposive sampling is a sampling technique with certain considerations (Sugiyono, 2016). This study uses opinion (Sugiyono, 2016), which is a measure that is appropriate for use in research of 30 to 500 respondents and if using multivariate analysis, the minimum number of sample members is 10 times the number of variables studied. This study has 4 variables, so the minimum number of samples is $10 \times 4 = 40$ and uses the formula (Ferdinand, 2014) where the number of indicators multiplied by the parameters is $16 \times 10 = 160$ so that if the accumulated number is equal to 200 respondents. Based on Roscoe's opinion, the number of samples in this study at least met the guidelines for determining the sample. In this study, 200 respondents were used to avoid the answers to the questionnaire that had been distributed to the respondents not as expected. namely the determination of the sample of respondents (consumers) at the time of distributing the questionnaire.

The data analysis technique used in this study is Structural Equation Modeling (SEM) analysis. Data management in this study will use smart PLS software. Structural Equation Modeling (SEM) is a method used to cover the weaknesses in the regression method. The purpose of using PLS (Partial Least Square) is to make predictions. Which in making these predictions is to predict the relationship between constructs, in addition to helping researchers in their research to get latent variable values for the purpose of making predictions. The latent variable is the linear aggregate of its indicators. The weight estimate for creating the latent variable score component is obtained based on how the inner model (a structural model that links between latent variables) and the outer model (a measurement

model, namely the relationship between indicators and their constructs) is specified. The result is that the residual variance of the dependent variable (both latent and indicator variables) is minimized (Ghozali, 2017).

Results and Discussion

General description

Purwa Caraka Music Studio is a music course institution under the care of Ir. Purwacaraka which is engaged in music with an international standard curriculum. The large number of interested people who want to attend school at Purwa Caraka Music Studio makes this course institution strive to continue to develop areas of distribution in order to get closer and spread the art of music in the midst of society. Purwa Caraka Music Studio believes that music has its own intrinsic value for one's social and academic skills. Playing music in a group can develop social skills and broaden networks. While that belief is driven by our performance program. Studies show that participation in music has beneficial effects on other sectors of learning and intelligence. Music has significant and long-term benefits in learning related to mathematics, spatial relations and language.

Partial Least Square SmartPLS 6.0

Based on the data processing that has been done, the results can be used to answer the hypothesis in this study. The research hypothesis can be declared accepted if the P-Values < 0.05 (Ghozali, 2017). The following are the results of hypothesis testing obtained in this study through the inner model:

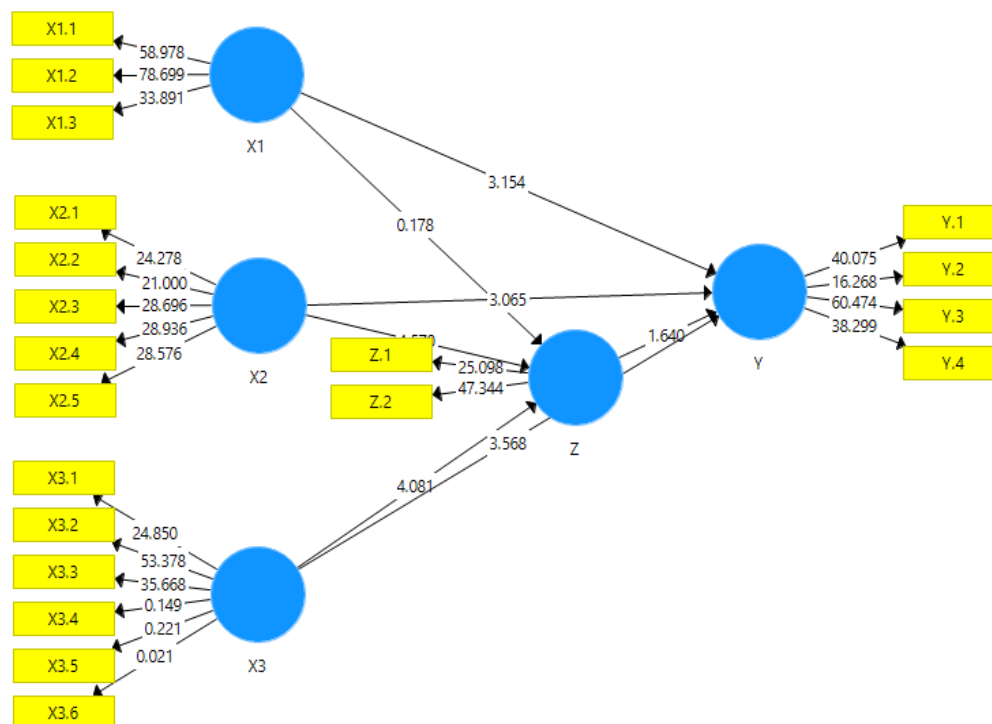


Figure 1. Partial Least Square SmartPLS Results
Source: Data Processed (2023)

From the results of the research hypothesis testing model using SmartPLS 6.0 as shown above, then it can be seen the direct and indirect effects of the relationship between the variables.

Results of Testing the Effect of Inter-Variables

The results of testing the direct effect of the relationship between variables using SmartPLS 6.0 can be seen in the following table:

Table 1. Influence Between Variables

Variable	Path Coefficients	P-value	Results
X ₁ - Y	0,248	0,002	Accepted
X ₁ - Z	0,458	0,000	Accepted
X ₂ - Y	0,276	0,002	Accepted
X ₂ - Z	-0,015	0,859	Accepted
X ₃ - Y	0,311	0,000	Accepted
X ₃ - Z	0,377	0,000	Accepted
Z - Y	0,121	0,002	Accepted

Source: Data Processed (2023)

Based on the direct influence test from Figure 1 and Table 1 above, it can be seen that:

1. The path coefficients of Brand Image (X1) to Customer Loyalty (Y) are $\beta = 0.248$, which is positive. The p-value is 0.002. This result is significant because the p-value is less than 0.05. So based on the calculated values of path coefficients and p-values on the influence between variables, Brand Image (X1) is proven to have an effect on Customer Loyalty (Y).
2. The path coefficients of Brand Image (X1) on Customer Trust (Z) are $\beta = 0.458$, which is positive. The p-value is 0.000. This result is significant because the p-value is less than 0.05. So based on the calculated values of path coefficients and p-values on the influence between variables, Brand Image (X1) is proven to have an effect on Customer Trust (Z).
3. The value of the Path Coefficient (path coefficients) of Service Quality (X2) to Customer Loyalty (Y) is $\beta = 0.276$ which is positive. The p-value is 0.002. This result is significant because the p-value is less than 0.05. So based on the calculated values of path coefficients and p-values on the influence between variables, Service Quality (X2) is proven to have an effect on Customer Loyalty (Y).
4. The value of the Path Coefficient (path coefficients) of Service Quality (X2) on Customer Trust (Z) is $\beta = -0.015$, which is negative. The p-value is 0.859. This result is significant because the p-value is more than 0.05. So based on the calculated path coefficients and p-values on the influence between variables, Service Quality (X2) is proven to have no effect on Customer Confidence (Z).
5. The path coefficients of learning quality (X3) to customer loyalty (Y) are $\beta = 0.311$, which is positive. The p-value is 0.000. This result is significant because the p-value is less than 0.05. So based on the calculated values of path coefficients and p-values on the influence between variables, the Quality of Learning (X3) is proven to have an effect on Customer Loyalty (Y).
6. The path coefficients of learning quality (X3) on customer trust (Z) are $\beta = 0.377$, which is positive. The p-value is 0.000. This result is significant because the p-value is less than 0.05. So based on the calculated values of path coefficients and p-values on the influence between variables, the Quality of Learning (X3) is proven to have an effect on Customer Confidence (Z).
7. The path coefficients of Customer Trust (Z) to Customer Loyalty (Y) are $\beta = 0.121$, which is positive. The p-value is 0.002. This result is significant because the p-value is less than 0.05. So based on the calculation of path coefficients and p-values on the influence between variables, Customer Trust (Z) is proven to have an effect on Customer Loyalty (Y).

Discussion

The Effect of Brand Image on Customer Loyalty

In the discussion of the relationship between Brand Image (X1) and Customer Loyalty (Y) with a beta coefficient (β) of 0.248 which is positive, it can be seen that there is a positive influence between brand image on customer loyalty at the Purwa Caraka Music Studio course and training institute. Based on research showing that a strong and positive brand image in the eyes of customers can create a good perception of the Purwa Caraka Music Studio course and training institution. A strong brand image can set Purwa Caraka apart from its competitors, build trust, and create positive emotional relationships with customers. This will then have an impact on the tendency of customers to continue using Purwa Caraka's services and become loyal customers.

Brand image is the perception and belief held by consumers, as reflected in the associations that occur in the consumer's memory. A strong brand image can provide a major advantage for the company, one of which can create a competitive advantage. One of the right strategies to gain competitive advantage in influencing purchasing decisions is to build a brand image in the minds of consumers. Companies must create an attractive brand image and describe product advantages that

match the wants and needs of consumers, so that consumers have a positive brand image. With a positive brand image in the minds of consumers, they will have high loyalty (Kotler, 2017). The research results are in line with research conducted by (Aslam et al., 2023; Christia & Hapsari, 2023; Hasanuddin & Pradana, 2023; Jasin et al., 2023; Mobarak et al., 2022; Setyorini et al., 2023) which states that Brand Image affects Customer Loyalty. However, the results of this study are not in line with research conducted by (Indarto et al., 2022; Lin & Yin, 2022).

The Effect of Brand Image on Customer Trust

In the discussion of the relationship between Brand Image and Customer Trust with a path coefficient of 0.458 which is positive, it can be seen that there is a significant positive influence between brand image and customer trust at Purwa Caraka course and training institutions. MusicStudio. Path coefficients (path coefficients) indicate the extent to which changes in the independent variable (brand image) affect the dependent variable (customer trust). In this context, the path coefficient value of 0.458 indicates that an increase in Purwacaraka's brand image will contribute to an increase in customer trust.

A strong and positive brand image creates a good perception in the eyes of customers towards the Purwa Caraka Music Studio course and training institution. A strong brand image will increase customer confidence in the integrity, competence and quality promised by the institution. Customer trust in Purwa Caraka Music Studio is very important because it can form the basis for building strong and lasting relationships between institutions and customers. The results of the research are in line with research conducted by (Basrowi et al., 2023; Fu, 2023; Nguyen-Viet, 2023) which states that brand image affects customer trust.

Effect of Service Quality on Customer Loyalty

In the discussion of the relationship between Service Quality and Customer Loyalty with a path coefficient of 0.276 which is positive, it can be concluded that there is a significant positive influence between service quality on customer loyalty at Purwacaraka course and training institutions. Good service quality is an important factor in creating a positive experience for customers. Responsive, friendly, efficient and quality service will increase customer satisfaction and strengthen their bond with the institution. Customers who are satisfied with the quality of services provided tend to become loyal customers and are more likely to recommend Puwa Caraka Music Studio to others. The results of the research are in line with research conducted by (Christia & Hapsari, 2023; Jasin et al., 2023; Lin & Yin, 2022) stating that Service Quality affects Customer Loyalty. However, the results of this study are not in line with (Juwaini et al., 2022; Kanyama et al., 2022) which reveal that Service Quality has no effect on Customer Loyalty.

The Effect of Service Quality on Customer Trust

When the path coefficient value between Service Quality and Customer Trust is $\beta = -0.015$ and is negative, this indicates that there is a weak negative effect between the Service Quality and Customer Trust variables. In this context, a decrease in the quality of services provided by a company has the potential to cause a decrease in customer trust in the brand or company. Customers may feel dissatisfied or disappointed with the services provided, which can reduce their level of trust. The results of the study are not in line with research conducted (Kanyama et al., 2022) which states that service quality has a high influence on customer trust.

Effect of Learning Quality on Customer Loyalty

When the path coefficient value between Learning Quality and Customer Loyalty is $\beta = 0.311$ and is positive, this indicates that there is a significant positive influence between the Learning Quality and Customer Loyalty variables. That is, the higher the quality of learning provided by the company to customers, the higher the level of customer loyalty to the brand or company. Customers will appreciate the opportunity to gain valuable knowledge and skills through interactions with companies, such as training, classes or workshops. Good learning quality will increase customer satisfaction, strengthen their emotional bond with the brand, and motivate them to keep using the product or service offered by the company. The results of the study are in line with research conducted by (Sudiantini et al., 2023).

Effect of Learning Quality on Customer Trust.

When the path coefficient value between Learning Quality and Customer Trust is $\beta = 0.377$ and is positive, this indicates that there is a significant positive influence between the Learning Quality and Customer Trust variables. That is, the higher the quality of learning provided by the company to customers, the higher the level of customer trust in the brand or company. Good learning quality gives the impression that the company has relevant competence and knowledge in the field of music, thereby building customer confidence in the company's ability to meet their needs and expectations. Customers will be more inclined to trust brands or companies that provide useful and quality learning experiences.

The Effect of Customer Trust on Customer Loyalty

When the path coefficient value between Customer Trust and Customer Loyalty is $\beta = 0.121$ and is positive, this indicates that there is a significant positive influence between the Customer Trust and Customer Loyalty variables. That is, the higher the level of customer trust in a brand or company, the higher the level of customer loyalty to the company. Customer trust plays an important role in forming long-term relationships between customers and brands. When customers feel trust in a brand, they are more likely to continue to choose products or services from that company, provide recommendations to others, and remain loyal as customers. These results are in line with research (Rivaldo et al., 2022; Zhang et al., 2023).

Conclusion

Based on the results and discussion, the conclusion in this study is that customer trust is proven to play a mediating role in creating customer loyalty based on brand image, service quality, and learning quality. Through this research, we hope to provide valuable insights for the management of Purwa Caraka Music Studio in understanding the factors that contribute to customer loyalty and developing effective strategies to retain loyal customers and attract new customers. The results of this research are also expected to contribute to broader knowledge in the field of education and consumer marketing in the context of course and training institutions and can be used as a performance evaluation for other Purwa Caraka Music Studio Branches and studies for future marketing strategy programs.

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