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The Influence of Brand Experience on Brand Loyalty Mediated by Perceived Quality and Brand Trust in the Mills Brand

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Abstract: The world has now entered the post-Covid-19 period, we can note that there are changes in socio-cultural aspects that encourage people to make healthy living a trend, one of which is through exercise. This research was conducted through a quantitative approach using data obtained from 170 respondents who bought Mills brand local sports equipment products more than once. The hypothesis testing tool uses the Smart-PLS 3.0 application with the PLS method. This study found that brand experience as an independent variable that has sensory, affective, intellectual and behavioral dimensions along with the mediating variables perceived quality and brand trust simultaneously have a significant influence on the dependent variable brand loyalty. The mediation effect contained in this study is categorized as partial mediation because brand experience also has a significant effect on brand loyalty.

Keyword: Brand Experience, Perceived Quality, Brand Trust, Brand Loyalty

INTRODUCTION

The development of the world has entered the post-covid-19 period where various companies that initially experienced a decline in both sales and operations have recovered again. However, apart from developments in the economic aspect, we can notice that there are changes in socio-cultural aspect that encourage people to make healthy living a trend, one of which is through doing exercise (Utomo, 2023). Furthermore, one of the steps to maintain a healthy lifestyle can be seen through an increase in public awareness after the Covid-19 pandemic to exercise even more (Sinadia, 2022). Moreover, this growth potential is predicted to be in the range of 5.72% in the coming years until 2029, indicating the potential for positive industry gains globally (Statista, 2024). We can see that this positive prediction also occurs in Indonesia due to the promising growth potential of the sports equipment industry, as evidenced by the number of major global brands competing in the local market. This fact is also emphasized by the statement of the Chairman of the MPR of the Republic of Indonesia, Bambang Soesatyo, who said that based on research, the Indonesian sports industry will be projected to grow in the range of 8.7% per year due to the increasing number of people who care about exercising (Sekretariat Jenderal MPR RI, 2023). However, despite this promising

national industry growth opportunity The Minister of Industry, Agus Gumiwang Kartasasmita stated that the clothing and sporting goods industry is still largely controlled by foreign brands and large retailers, especially in urban areas (Junida, 2023) In addressing this issue, the Ministry of Industry sees that there is a chance for local Indonesian sports brands to be able to compete with global brands, this is due to developments in the use of digital marketing, technology, product and brand design accompanied by a good marketing strategy (Sayekti, 2023).

Mills is one of the local brands in the Indonesian sports equipment industry that produces sports-related products such as futsal, soccer, and running. In the face of this competition, one of the marketing strategy approaches taken by the Mills brand is to become the clothing sponsor of the Indonesian national team since 2020. This is an interesting approach given that soccer is a sport that receives great attention in the eyes of the Indonesian people. Mills marketing approach in creating a brand experience for its consumers will be analyzed through the conceptual framework of brand resonance theory which helps in understanding the process of creating a good long-term consumer and brand relationship (Akoglu & Özbek, 2022). Moreover the brand resonance model is formed by 2 pathways: the rational pathway and the emotional pathway, both of these paths should be fulfilled by a brand until it can reach the peak point which is called brand resonance (Akoglu & Özbek, 2022). This research begins with the brand experience variable which will study how the Mills brand implements experiential marketing strategies to gain consumer attention, given that Mills competes with various local and international sports equipment brands to market products to the Indonesian consumers. The continuation assessment of the rational aspects in the eyes of consumers towards the quality of Mills products will be explained by the perceived quality variable. Along with the assessment of the rational aspect, the emotional aspect will be represented by the brand trust variable which will help determine whether a relationship of trust has been created between consumers and the Mills brand. Lastly, as the dependent variable many companies have used brand loyalty in order to maintain the market share that has been obtained, because brand loyalty are closely related to consumer's willingness to pay higher prices, repeat purchases and positive word of mouth for brand products (Wardhana & Yulia, 2021).

Therefore this research will look at how the process of generating brand experience that has been carried out by Mills can deal with the new challenging business situation due to the ending of the cooperation contract with the Indonesian national team's clothing and assess how the creation of experiences that have been carried out including design, identity, packaging, communication, and the brand environment can influence consumers so that they can always maintain their brand loyalty in the midst of competition in the Indonesian sports equipment industry that competes with both local brands and international brands and how Mills can overcome future challenges in maintaining brand loyalty to the sales of sports products that they produce, given that they have completed a clothing cooperation contract with the Indonesian national team in February 2024 (Prasetya, 2023).

METHOD

This research was conducted through a quantitative approach using data obtained from 170 respondents. The study used a non-probability sampling method of purposive sampling on individuals who had purchased Mills brand products more than once. The hypothesis testing tool uses the Smart-PLS 3.0 application with the PLS method.

RESULTS AND DISCUSSION

The research found that 138 respondents (81%) were male, and around 32 respondents (19%) were female. The next aspect to consider relates to the age range of consumers who purchase Mills products. In this case, the researchers divided it into 3 categories, the majority of respondents in this study were 17-25 years old, amounting to 105 respondents (62%), at the

age of 24-39 years 61 respondents (36%), and 40-55 years old 4 respondents (2.3%). The majority of the respondents fall into a monthly expenditure level of IDR 1,000,001 - IDR 2,000,000 range, with a total of 108 respondents (63%). Based on the data analysis, it can be concluded that the respondents have a fairly diverse provincial domicile. However the majority of respondents are from Jawa Island shown through the data obtained that 60 respondents (35%) came from Banten, 43 respondents (25%) came from Jakarta, 16 respondents (9%) came from West Java, 12 respondents (7%) came from East Java, and 8 respondents (4%) came from Central Java. Moreover, the largest percentage concentration of respondents came from the first level of undergraduate with 110 respondents (65%), 57 respondents (33%) came from the high school level, 3 respondents (2%) came from the graduate degree holder.

Reliability Test and Validity

The outer model test aims to define the relationship that the indicators have with the construct variable which will be followed by an analysis of the validity and reliability of the respondent's answers to the distributed questionnaires. The next convergent validity test which tests the average variance extracted or AVE value. The minimum acceptable AVE value must be equal to or exceed > 0.5 , thus explaining that the research variables can explain their indicators 50% or more (Hair et al., 2021). The reliability testing could also be seen through the table below which showcase two values of Cronbach's Alpha and Composite Reliability that have exceeded the minimum value of 0.70 to be deemed reliable (Hair et al., 2021).

Table 1. Construct Reliability and Validity

Variable	Cronbach's Alpha	Composite Reliability	Average Variance Extracted
BE	0.916	0.929	0.568
PQ	0.711	0.839	0.634
BT	0.704	0.835	0.629
BL	0.798	0.868	0.623

Convergent Validity

In testing convergent validity, the measurement will look at the loading factor value. Where the results on each indicator and the outer loading value must meet the minimum requirements specified where each indicator must be > 0.70 to be declared valid (Hair et al., 2021).

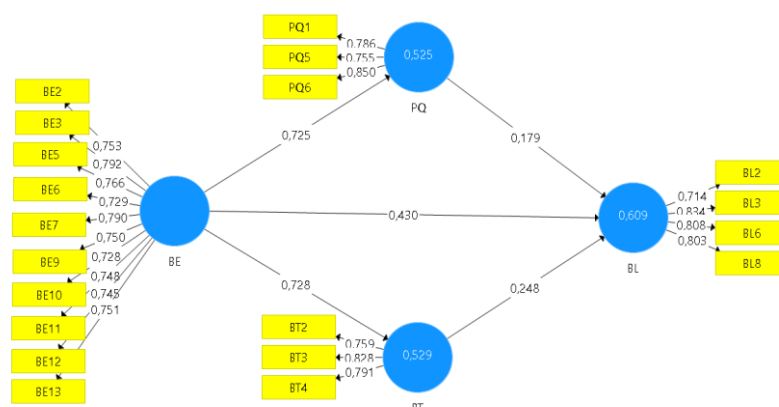


Figure 2. Validity Testing (2024)

Source: Data processed using SEM Smart-PLs (2024)

Discriminant Test

The discriminant validity test is carried out to test the validity of the research construct through the test on the Fornell lacker value. A variable can be declared to have a good level of validity when the value of each indicator that explains the main variable exceeds the value of the indicator against other variables (Hair et al., 2021).

Table 2. Discriminant Validity Results

	BE	BL	BT	PQ
BE	0.754			
BL	0.736	0.790		
BT	0.744	0.694	0.793	
PQ	0.734	0.666	0.702	0.797

Hypothesis Testing

Hypothesis testing that previously have been run on the software through bootstrapping method. The results regarding the coefficient values are provided in the table below.

Table 3. Hypothesis Test

	Original Sample	Sample Mean	Standard Deviation	t-statistic	p-value
BE → BL	0.404	0.405	0.102	3.972	0.000
BE → PQ	0.734	0.746	0.036	20.134	0.000
BE → BT	0.744	0.742	0.041	18.082	0.000
PQ → BL	0.183	0.269	0.088	2.079	0.038
BT → BL	0.265	0.181	0.092	2.867	0.004
BE → PQ → BL	0.134	0.134	0.065	2.062	0.040
BE → BT → BL	0.197	0.201	0.072	2.733	0.006

Relationship between Brand Experience (BE) and Brand loyalty (BL)

In this research, there is an influence between brand experience and brand loyalty because the the t-statistic value is $3.972 > 1.96$, and the P-value are $0.000 < 0.05$, thus it can be stated that brand experience has a significant effect on brand loyalty. These results are in line with the research (Akoglu & Özbek, 2022) which states that all experiences gained by consumers both in sensory, affective, intellectual, and behavioral factors will create differentiation of a brand with competing brands so that it will generate brand loyalty.

Relationship between Brand Experience (BE) and Perceived Quality (PQ)

In this research, there is an influence between brand experience and perceived quality because the the t-statistic value is $20.134 > 1.96$, and the P-value are $0.000 < 0.05$. Thus, it can be stated that brand experience has a significant effect on perceived quality. This research is in line with previous research which obtained significant results between brand experience and perceived quality (Eslami, 2020). This clearly explains that the better the experiences which a consumer have will lead to a more positive quality perception towards the brand.

Relationship between Brand Experience (BE) and Brand Trust (BT)

In this research, there is an influence between brand experience and brand trust because the the t-statistic value is $18.082 > 1.96$, and the P-value are $0.000 < 0.05$. Thus, it can be stated that brand experience has a significant effect on brand trust. The results obtained are in accordance with the research of (Winnie & Keni, 2020) which states that the brand experience obtained by a consumer through the use of products or services offered by a brand will have an impact on increasing brand knowledge which ultimately creates trust. Moreover, this result is

also in line with the research of (Antonius Alijoyo & Novita Puri, 2023) which obtained significant results between brand experience and brand trust for companies that launch sports products.

Relationship between Perceived Quality (PQ) and Brand Loyalty (BL)

In this research, there is an influence between perceived quality and brand loyalty because the t-statistic value is $2.079 > 1.96$, and the P-value are $0.038 < 0.05$. Thus, it can be stated that perceived quality has a significant influence on brand loyalty. These results are proven to strengthen the results of previous research which also obtained significant results between perceived quality and brand loyalty (Atulkar, 2020). This fact explains that the positive quality perceptions that a consumer has after using the products offered by a brand will be the basis for creating future loyalty in continuing to use the brand.

Relationship between Brand Trust (BT) and Brand Loyalty (BL)

In this research, there is an influence between brand trust and brand loyalty because the t-statistic value is $2.867 > 1.96$, and the P-value are $0.004 < 0.05$. Thus, it can be stated that brand trust has a significant effect on brand loyalty. Kwon et al (2020) obtained similar results in their research conducted on the fast food industry for the people of South Korea and the United States that the significant relationship that brand trust has on brand loyalty will create a valuable relationship between consumers and companies. This can be explained by consumers behaviour who have previously purchased products, feel positive marketing strategies and product experiences will build a growing sense of trust in the company.

Relationship between Brand Experience (BE) and Brand Loyalty (BL) through Perceived Quality (PQ)

In this research, there is an influence between brand experience and brand loyalty through the mediation of perceived quality because the t-statistic value is $2.062 > 1.96$, and the P-value are $0.040 < 0.05$. Thus, it can be stated that perceived quality has a significant effect in mediating between brand experience and brand loyalty. The results of this test are in line with Eslami (2020) research conducted on the health insurance industry in Iran and Ahmadian et al (2023) who conducted research on consumers of leather products in Iran. This explains how the experience of a consumer in feeling a product will influence the process of forming perceptions of quality in each individual, thus a brand will later have a long-term relationship with consumers.

Relationship between Brand Experience (BE) and Brand Loyalty (BL) through Brand Trust (BT)

In this research, there is an influence between brand experience and brand loyalty through the mediation of brand trust because the t-statistic value is $2.733 > 1.96$, and the P-value are $0.006 < 0.05$. Thus, it can be stated that brand trust has a significant effect in mediating between brand experience and brand loyalty. This is in line with the findings of researchers Hasanah et al (2022) where brand experience has a significant influence on brand loyalty through the mediation of brand trust in telecommunications industry consumers. The ability of brand trust to mediate is also evidence that is in accordance with the basis of brand resonance theory which states that one of the next stages of brand salience is the emotional pathway which ultimately forms the last stage, namely, brand resonance.

Brand Experience

Brand experience is an overall combination of reactions to internal consumer aspects including sensory, feelings, cognition, and behavior caused by reactions to external aspects such as product packaging, brand identity, brand environment, and brand design of a product

communicated by the company (Wardhana & Sunara, 2022). Bae & Kim (2023) classify brand experience into 4 dimensions including sensory, affective, intellectual, and behavioral. Sensory elements include visual and tactile aspects that arise due to marketing strategy factors presented by a brand (Akoglu & Özbek, 2022). The affective element of brand experience consists of a form of internal feeling towards the brand, followed by emotions that arise when interacting directly in the form of both positive and negative experiences (Huaman-Ramirez & Merunka, 2019). Chieng et al (2022) explains that the intellectual aspect of brand experience is closely related to how consumers experience the analytical and imaginative thought process of a brand, lastly the behavioral dimension is related to how a consumer can feel experiences related to bodily and lifestyle reactions when interacting with a brand (Chung & Welty Peachey, 2022).

Perceived Quality

Tran et al (2022) convey that perceived quality is an individual's thought response in assessing a subject that includes (place, product, and brand). Perceived quality can also be understood as a form of comprehensive consumer assessment of the capabilities and advantages of a company (Mohd Yusof et al., 2021).

Brand Trust

Huaman-Ramirez & Merunka (2019) convey that brand trust is a manifestation of the expectations held by a consumer that the brand he or she buys will have consistency in the usefulness of products or services. In addition, brand trust can also be understood as the ability of a brand to be reliable, this is obtained through consumer confidence in a product to fulfill the promised utility value (Bernarto et al., 2020). Moreover, Brand trust is the degree of consumer confidence in brands that can reduce uncertainty when consumers find it difficult to make purchasing decisions (Wardhana et al., 2023)

Brand Loyalty

Brand loyalty is one of the variables that is widely referred to in various marketing concepts, supported by many practitioners and academics who agree with the various positive impacts that can be obtained, one of which is company performance in terms of revenue and market share (Bae & Kim, 2023). Atulkar (2020) studies also explains that past purchasing experience will have an impact on a consumer's attitude towards choosing a particular brand on a long-term basis which is realized through the act of repurchasing the brand's products or services.

Frameworks

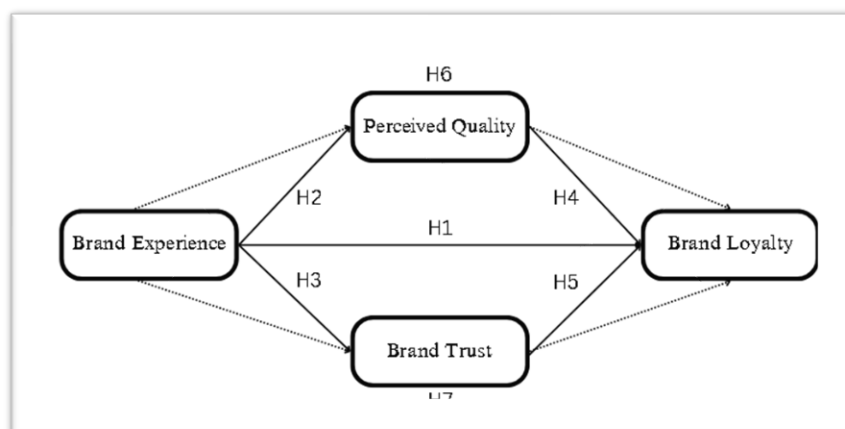


Figure 1. Frameworks

Hypothesis:

H1: There is an affect between Brand Experience and Brand Loyalty

H2: There is an affect between Brand Experience and Perceived Quality

H3: There is an affect between Brand Experience and Brand Trust

H4: There is an affect between Perceived Quality and Brand Loyalty

H5: There is an affect between Brand Trust and Brand Loyalty

H6: There is an affect between Brand Experience and Brand Loyalty through Perceived Quality mediation

H7: There is an affect between Brand Experience and Brand Loyalty through Brand Trust mediation

CONCLUSION

Based on the results show that the brand experience variable has a significant effect on brand loyalty. Moreover, the brand experience variable has a significant effect on perceived quality and brand trust. The results also show that perceived quality has a significant effect on brand loyalty for the Mills brand. In addition, brand trust has a significant effect on brand loyalty. However, the brand experience variable also has a significant effect on brand loyalty for the Mills brand through perceived quality and brand trust as a mediator.

Therefore, based on the t-statistic value of 3.972 obtained by the brand experience variable towards the brand loyalty variable, we can understand that this variable has the strongest influence on the dependent variable brand loyalty among the other two variables. When referring to the theory of brand resonance which explains that in the process of building relationships between consumers and brands, it begins with an element of consumer's awareness followed by the fulfillment of emotional and rational aspects of the brand experienced by a consumer so that it can arrive at the culmination point in a relationship known as brand resonance. In this case, the brand experience along with its four dimensions of sensory, affective, intellectual, and behavioral have fulfilled all the necessary elements. Based on the results obtained, the marketing strategy implemented by the company has embedded a memorable experience for consumers by referring to the creation of existing experiential dimensions.

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