

TRAVELOKA BRAND LOYALTY: MEDIATING EFFECT OF BRAND LOVE

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ABSTRACT

This study aims to determine the effect of e-service quality on brand loyalty through brand love as a mediating variable. This type of research is explanatory research with survey method. This study uses a sample of 250 respondents through purposive sampling technique. PLS SEM is used as method analysis. The data is a response from respondents who bought products at Traveloka for themselves and respondents who have used Traveloka services at least twice. The results of this study show that there is a significant influence between e-service quality and brand loyalty, e-service quality with brand love and brand love with brand loyalty. The fourth hypothesis of brand love has a positive and significant influence or can be a mediating party between the variable e-service quality and brand loyalty. The results of this study should be a particular concern to marketers that e-service quality always encourages consumers to be in love and loyal to the brand.

Keyword: *e-service quality, brand love, brand loyalty*

ABSTRAK

Penelitian ini bertujuan untuk mengetahui pengaruh *e-service quality* terhadap *brand loyalty* melalui *brand love* sebagai variabel mediasi. Jenis penelitian yang dilakukan adalah *explanatory research* dengan metode survei. Penelitian ini menggunakan sampel berjumlah 250 responden dengan teknik pengambilan sampel *purposive sampling*. Metode analisis menggunakan PLS SEM. Data tersebut adalah tanggapan dari responden yang membeli produk pada Traveloka untuk dirinya sendiri dan responden yang pernah menggunakan layanan Traveloka minimal dua kali. Hasil dari penelitian ini menunjukkan terdapat pengaruh yang signifikan antara *e-service quality* dengan *brand loyalty*, *e-service quality* dengan *brand love* dan *brand love* dengan *brand loyalty*. Hipotesa keempat *brand love* memiliki pengaruh yang positif dan signifikan atau bisa menjadi pihak mediasi antara variabel *e-service quality* dengan *brand loyalty*. Hasil dari penelitian ini harus menjadi perhatian khusus bagi para pemasar bahwa *e-service quality* selalu mendorong konsumen untuk menjadi cinta dan loyal terhadap brand.

Kata kunci: *e-service quality, brand love, brand loyalty*

I. Introduction

In the era of modernization, globalization in the technology field is increasing. Information can be known quickly that enables users easily access information which is required. By following the development of information technology, people can find out global, data transmission, news, and so on.

Internet is an electronic that can be used for various activities such as communication, research, business transactions and so on. Since its introduction in 1969 at United States, the internet has experienced tremendous development. Especially with the introduction of the World Wide Web (WWW) technology, the technology is increasing perfectly (McLeod and Shell, 20014:64).

Technological Advance makes today's internet increasingly becomes inseparable from human life in the modern era. In 2014 showed that the number of Internet users in Indonesia

were around 88.1 million, the figure rose from 71.2 million in the previous year. Based on these data, it can be concluded that the Indonesian people are already aware of the internet. (www.apjii.or.id).

According to Laudon & Laudon (2000), there are six reasons why the Internet becomes popular technology. They are having internet connectivity and a wide range, reducing communication costs, reducing transaction costs, reducing agency costs, interactive, flexible and convenient, and having the ability to distribute knowledge quickly.

During its development, a survey was conducted by the Indonesian Internet Service Providers Association ~ Asosiasi Penyelenggara Jasa Internet Indonesia (APJII) ~ revealed that the number of internet users was increasing year by year. This can be seen from the graph that adopted from the website of APJII.

From these data, since 1998 to 2017, internet users increasing dramatically. It was proven in 1998 that internet users were less than 20 million while in 2017 more than 120 million people used the Internet. This rise is very drastic for the development users of the internet.

This phenomenon makes many businesses began to develop businesses that are managed off-line start towards online. It was done by businesses to achieve effectiveness and efficiency to consumers in enjoying the products offered by the company.

Based on the data obtained from APJII, the internet is now a potential business opportunity. A wide variety of activities can be done via the Internet as a transaction of goods and services. One such business is the online travel agent.

Many travel agencies that provide services in purchasing air tickets with a variety of routes online through a website or application-based. Similarly, one of the travel agencies that is currently popular in Indonesia, namely traveloka.com. Traveloka.com Internet

Company engages to provide online travel agent services, pioneered in March 2012.

Ticket sales online is one of the elegant e-commerce business models. Traveloka enjoys a business-to-customer (B2C) transaction structure, which startup company valued at over 1 billion USD (14 trillions IDR) in the year of 2019 and does not require shares or store any physical items. Because of this, traveloka can easily be free from the dangers of logistics that haunt the e-commerce industry in Southeast Asia. Transportation ticket is no longer a luxury item, but a medium that facilitates business affairs in the modern era as it is now, (Cosseboom, 2015).

The premiere of Traveloka not smoothly without any hitch. As a small startup which is new pioneered, almost there is no airline would cooperate with Traveloka. Traveloka provides a variety of convenience to consumers with a flight ticket enlargement system, fast travel and hotel reservations, easy and safe payments, so as to provide a variety of ticket prices, travel and hotels

according to consumer budget. In addition, Traveloka provides information about the location or hotel recommendations location and tourist attractions. Various services are provided by Traveloka in order to provide the best quality of service to consumers. So, it is expected to create brand loyalty.

However, the team of Traveloka that only consists of eight people has never been discouraged in developing a business. Eventually Traveloka released in 2012, it can thrive and work closely with a number of Indonesian airlines.

According to the Alexa website, the website of www.traveloka.com is a booking sites online ticket in Indonesia which is the most visited.

It can be seen that www.traveloka.com website stays in 99th rank in Indonesia as a popular website because of the most frequently visitation. Website of www.traveloka.com is crowned as online ticket booking site number one in Indonesia. It happens because its number of visitor increases the most

compares to similar online ticket booking sites, namely www.tiket.com, www.nusatrip.com and www.pegipegi.com.

Based on a research conducted by alexa.com, online travel agent site, Traveloka ranks 99th where the rating is a top-ranked competitor. It shows Traveloka brand image is still ahead in the appeal of its competitors.

Even so, the competition on online tickets is very tight and will always increase with the new entrants. That is why traveloka.com must stay afloat and increase brand loyalty to customers. Bearing in mind the importance of brand loyalty, an exploratory study was designed to examine the influence of perceptions of product quality and service quality.

Brand loyalty is a prerequisite for a firm's competitiveness and profitability (Aaker, 1995, 1997; Reichheld, Markey, and Hopton, 2000). Every firm desires to have its brands with high customer loyalty. Unfortunately, all brands cannot attract high loyalty. The development and maintenance of consumer brand loyalty is placed at the

heart of companies' marketing plans, especially in the face of highly competitive markets with increasing unpredictability and reducing product differentiation (Fournier and Yao, 1997, p.90). However, brand loyalty has been one of the most important issues in the marketing literature and is considered as a vital element in management strategies in order to succeed and/or to outlive in competitive environments (e.g., Parasuraman, Zeithaml and Berry, 1985; 1990).

The present study explores the relationship between brand loyalty and service quality. Service quality is a main evaluation that reflects the customer's perception of service elements such as interaction quality, physical environment quality, and outcome quality. These elements are in turn evaluated based on specific service quality dimensions; reliability, assurance, responsiveness, empathy and tangibles. Service quality is defined as global judgment or attitude relation to the overall excellence or superiority of the service (Parasuraman et al., 1988). Based on Parasuraman et al.'s

(2005), E-service quality is related to user satisfaction and IS success in the IS field, and is also related to customer satisfaction, retention and loyalty in the marketing field. The practice of excellent service quality has been proven that customer satisfaction will significantly lead to brand loyalty (Caruana et al., 2000; Caruana, 2002). The current study utilizes SERVQUAL model (Parasuraman et al., 1988a) to help calculate particular brand loyalty.

Although previous research said that E-Service quality has a significant influence on Brand loyalty. But, according to environmental psychologists by Mehrabian and Russell (1974) said that human giving effects of environmental stimuli on emotional and cognitive reactions of an organism, which in turn, shape behavioral responses. When e-service quality becomes a stimulan on emotional of an organism dan brand loyalty shape behavioral responses, it means still there is a gap or missing link in cognitive reactions of organism. The reseacher has a question relates to definition of cognitive reactions in term

of that problem. Accordingly, a framework is needed to answer these problems.

To answer this problems, the author uses S-O-R framework for this research. S-O-R framework is the stimulus (S) – organism (O) - response (R) model originally formulated by two environmental psychologists, Mehrabian and Russell (1974). The S-O-R model indicates that the relationship among these three main constructs (i.e., stimulus, organism, response) is linear with organism acting as mediator between stimulus and response (Kihlstrom, 1987).

Based on the explanation above, the reseacher needs and mediator between e-service quality and brand loyalty are namely brand love. According to Fournier and Mick (1999: 354) brand love is conceptualized here as a mode of satisfaction, a response experience by some, but not all, satisfied consumers. From these explained components, they show that consumers get satisfaction on the response experience, including experience in e-service quality will cause brand love.

This framework is supposed to a setting of consumer technology product usage to explain consumer avoidance/approach behaviors in response to technology products. Following the framework, it is predicted that E-Service Quality (Stimuli) affecting brand loyalty (Response) through brand love (Organism).

II. THEORETICAL FRAMEWORK

S-O-R Theory

According to Jacoby (2002), the Stimulus-Organism-Response (S-O-R) model is the second generation of consumer behavior models which evolved from the simplistic Input-Output (I-O) model around the middle of the 1960s in social psychology. Compared to the I-O model, the S-O-R model emphasizes consumers' internal states more than either input or output factors (Jacoby, 2002). While Mehrabian and Russell, (1974) They stated that an individual's character will have an effect on the affective

state, which then results in approach-avoidance response behavior

Brand Love

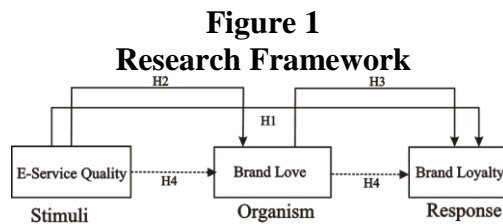
Brand love is perceived as a recent marketing concept in the research stream of consumer-brand relationships (Kaufmann et al., 2016; Vernuccio et al., 2015). While according to Batra et al., (2012) Thomson et al., (2005) brand love is found to be constructed on a variety of affective-laden perceptions, such as self-brand integration, passion-driven behaviors, positive emotional connections, a long-term relationship, positive overall attitude (attitude certainty and confidence) and separation distress. Langner et al (2015) show that brand love relations are driven by rational benefits and an added rational component. Moreover, Huber et al (2015) prove that rational aspects have an effect on love in a consumer-brand relationship. Interestingly, their research illustrates that rational aspects become weightier for brand love with increasing relationship duration.

E-Service Quality

Voss (2003) defines a service in an electronic environment (e-service) as the delivery of service using new media such as the web. The existence of evidence in the service quality on the delivery through the website is a very important success strategy in comparison with cheap prices and a web presence (Zeithaml et al., 2002).

Brand Loyalty

Loyalty will be developed over a period from reliable report which involves assembly, even beyond customers' expectation. Kotler et al (2010) expresses the cost of appealing to a new customer can be several instances the cost of maintaining a present-day customer needs. Gilmore (2003) provides a single description involving brand loyalty that will relate to: the degree to help a customer indicates repeat purchasing habits from your company, possesses a good attitudinal frame of mind in the direction of the particular provider and also takes using only this specific provider whenever a need for this specific support is out there.



Source: Researcher, 2019

Based on the research conceptual framework, the hypotheses are:

H1: E-Service Quality has a positive influence on the brand loyalty on Traveloka.com.

H2: Brand Love has a positive influence towards brand loyalty on Traveloka.com.

H3: E-Service Quality has a positive influence regards to brand love on Traveloka.com.

H4: Brand Love mediate on the E-Service Quality and Brand E-Loyalty on Traveloka.com.

III. RESEARCH METHODOLOGY

The research type for this research uses explanatory research with quantitative method. The research took place in Malang City, Indonesia. The population in this research is the consumers of Traveloka. The sampling

technique used in this research is the non-probability approach with purposive sampling method where the respondents should know about Traveloka, with Purchasing tickets online at traveloka.com for themselves and using traveloka services at least twice. The minimum sample required in this research will be 130 respondents. The data collecting method used in this research is questionnaire. The research instrument test used in this research will be the validity test and reliability test and will be continued with the Structural Model Analysis which is consist of two steps namely Outer Model Analysis and Inner Model Annalysis. After that, the data will be tested by The Hypothesis Testing, then Sobel Method.

IV. RESULT & DISCUSSION

Descriptive Result

Based on the data of the questionnaire, there were 153 (61.2%) female respondents while the rest of the other respondents were male with 97 (38.8%) male respondents. Thus, female users are the dominant users of

Traveloka than the male users. The result shows that the majority of respondents aged between 18 – 20 years for 140 (56%) and 20-35 years for 110 (44%) of respondents with 245 (98%) are a student. Furthermore, 191 (76.4%) respondents having Rp 500.000– Rp 2.000.000 as their incomes in which also be the dominant income in this research.

Data Analysis Result

Outer Model Analysis

The research that uses the help of SmartPLS software, testing the outer model (evaluation of measurement models) is used to determine the validity and reliability of a research instrument (Hair, 2014). The following is a more detailed explanation of the test results of the outer model that has been carried out on this research instrument. Individual reflexive sizes are said to be high if they correlate more than 0.70 with measured constructs.

Testing Validity

Convergent Validity

loading factor value (convergent validity) of each indicator. The loading factor value > 0.6 can be

said to be valid. From this table, it is known that all loading factor values of the E-Service Quality and Brand Love and Brand Loyalty indicators are greater than 0.7. This indicates that these indicators are valid.

Discriminant Validity

The construct validity test, construct reliability test is also measured by the criteria of composite reliability test and Cronbach Alpha from the indicator block measuring the construct. The construct is declared reliable if the value of composite reliability and Cronbach Alpha is above 0.70. So it can be concluded that the construct has good reliability.

Inner Model Evaluation

The inner model test or structural model evaluation is carried out to ensure that the structural model is built robust (model parameters do not change much when the new sample is taken from the total population) and are accurate, looking at several indicators including (Hair, 2014): Determination

Coefficient (R^2), Predictive Relevance (Q^2), Goodness of Fit Index (GoF).

Coefficient of Determination (R^2)

the value of R-square for Brand Love variables obtained for 0,353. The R-square value shows that 35,3% Brand Love (BL) variable can be influenced by E-Service Quality (ESQ) variable, while the remaining 64.7% is influenced by other variables outside of the studied. Table 4.8 shows the value of R-square Brand Loyalty of 0,618 indicates the variables of Brand Loyalty (BLY) is influenced by E-Service Quality (ESQ) and Brand Love (BL) by 61.8% while the remaining 38.2% in influencing by other outside variables being researched.

Predictive Relevance (Q^2)

From the calculation results, the obtained value of Q^2 is 0,752846, meaning that the amount of data diversity of research that can be explained by structural model designed is 75.28%, while the remaining 24.72% is explained by other factors outside the model. Based on this result, it can be categorized as structural model in this

research is good because it is closer to value 1.

Goodness of Fit Index (GoF)

The calculation results are 0.563 or 56.3%, this indicates that the diversity of data that can be explained by the model is 56.3% and the remaining 43.7% is explained by other variables that have not been contained in the model and error.

The Hypothesis Test Result (T Test)

H1 : The result of hypothesis testing of Brand Love (BL) to Brand Loyalty (BLY) shows path coefficient of 0.592 and t-statistic of 13.927. Because of that, the value of t-statistics is greater than t-table (1.969576) or $p(0,000) \leq 0.05$. So, Brand Love has a direct and significant influence on Brand Loyalty. This means that **hypothesis 1 is accepted.**

H2 : The result of hypothesis testing of E-Service Quality (ESQ) to Brand Love (BL) was obtained path coefficient of 0.594 and t-statistic of 14.225. Because of that, the value of t-statistics is greater than t-table (1.969576) or $p(0,000) \leq 0.05$. So, E-Service Quality has a direct and significant influence on Brand

Love. This means that **hypothesis 2 is accepted.**

H3 : Seen from the result of hypothesis testing of E-Service Quality (ESQ) to Brand Loyalty (BLY) was obtained path coefficient of 0.274 and t-statistic of 6.418. Because of that, the value of t-statistics is greater than t-table (1.969576) or $p(0,000) \leq 0.05$. So, E-Service Quality has a direct and significant influence on Brand Loyalty. This means that **hypothesis 3 is accepted.**

H4: The result of the fourth hypothesis test shows that the correlation of E-Service Quality (ESQ) with Brand Loyalty (BLY) through Brand Love (BL) shows the value of indirect path coefficient of 0,351648 with a statistical t value of 239,9996. The t-statistic value is greater than t table (1.969576) or $p(0,000) < 0.05$. This result means that Brand Love has partial mediation and significant mediating role in the effect of E-Service Quality to Brand Loyalty. **The results above show that H0 is rejected this means Hypothesis 4 is accepted.**

V. CONCLUSION & RECOMMENDATION

Conclusion

The conclusions of the research results are described as follows:

1. The results showed that the e-service quality has significant influence on e-brand loyalty. By looking at these results, it can be explained that e-service that use the element of quality will be more easily remembered and attached to the audience.
2. The results showed that the e-service quality has significant influence on brand love. By looking at these results, it can be explained that e-service that use the element of quality will be more easily remembered and attached to the audience love to the brand.
3. The results showed that the brand love has significant influence on e-

brand loyalty. By looking at these results, it can be explained that brand that use the element of love will be more easily remembered and attached to the audience loyal to the brand.

Recommendation

The following are some suggestions that can be applied:

1. The company is suggested to keep the brand love of traveloka.com in Indonesian society that has been considered good and consistent in using e-service quality.
2. The company should increase brand love in the minds of consumers because the love is a key to consumer loyalty of traveloka.com. So, they continued to grow. Service is still considered as a good way but it would be nice if the e-services more

developing to the technology.

3. Research may target a wider range of respondents by last education and more specific work to get more accurate data.

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