

# $\label{eq:linear_section} International Journal of Multidisciplinary Research and Literature \\ IIOMRAL$

IJOIVIKAL Vol. 1, No. 3, May 2022 pp. 241-360





# ANALYSIS OF CONSUMER PERCEPTION AND BRAND IMAGE TO CONSUMER LOYALTY BY ONLINE-BASED TRAVEL APP

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#### **Abstract**

This research aims to find out and analyze consumer perception and brand image towards consumer loyalty simultaneously in online travel application customers. The type of research used is a quantitative approach. The study results show that consumer perception partially affects consumer loyalty in online-based travel applications. Brand image partially affects consumer loyalty in online-based travel applications. Consumer perception and brand image simultaneously affect consumer loyalty in online-based travel applications. The ability of price variables and brand image can explain the variation of consumer loyalty by 64.2%. Other variables explain the remaining 35.8% outside of research that other researchers can develop later.

Keywords: Consumer Perception, Brand Image, Consumer Loyalty

#### INTRODUCTION

The development of the service sector is increasing from year to year along with rising incomes in major cities, especially metropolitan cities. More and more people are utilizing the service sector to support activities in everyday interests. Busyness in the world of work makes people often take advantage of the free time they have with valuable activities for their families for *quality time*. Usually, they fill the holidays by traveling somewhere to look for a different atmosphere. This opportunity is utilized appropriately by business people in the traveling service sector. Travel service companies are no longer promoting through brochures or exhibitions in malls but rather through cyberspace. Technological advances that develop so rapidly become the primary support in developing online-based travel businesses. A wide range of tools and services are available in digital promotions.

Perception is a process that makes a person choose and interpret something he accepts. A person's perception of a product or service will certainly be a consideration for consumers to determine which products or services they will use. In general, if consumer perception is high, consumers will indirectly be interested and evaluate all the information they get related to the goods or services they get from cyberspace or offline, for example, from user testimonials.

Of course, it is not only enough to promote products or services to get loyal customers, including creating brands. There is no more powerful way to retain customers than to deliver customers more than expected. The increasingly fierce competition between travel business people makes them not only focus on brands but more on how to provide *value* to their customers. Customers are rational people. If the experience gives positive goods, they will likely come again. The challenge is how to increase their probability of always being interested in coming, and coming again means that manufacturers/business people need to provide more satisfaction to arouse customer motivation to buy products or use their services faithfully.

When a customer makes a transaction, they bring an expectation (recorded in the *subconscious/subconscious*) about what the marketing will look like choose the transaction. That expectation is obtained based on experience when it interacts directly with the application or product offered. Mental expectations like this are perceptual, sometimes they are accurate and rational, but sometimes they are not.

The perception of customer satisfaction certainly does not revolve around the quality of products or services. Customers also take into account the overall buying experience. Their expectations will undoubtedly vary, depending on the type of company that produces products or provides services and the state of the surrounding environment. Customers who perceive negatively tend to experience failed positive expectations. Instead, negative expectations are met. Things that may happen this type of customer will move to another store or application that can better meet his expectations. Neutral customers tend to experience a situation following expectations. They do not share a sense of dissatisfaction, so they are less likely to revisit the seller or use the application when needed. Position customers are customers with negative expectations who fail and feel they are getting beyond positive or neutral expectations.

One of the things that can build perception is related to a good brand image of a product/service. Brand image can be the core value of distinguishing between one product and another. Sometimes customers who have experienced satisfaction when the product/service exceeds expectations will remember the brand and reconsider every purchase decision. According to Rangkuti (2008), a brand image is a group of brand associations formed and attached to the minds of consumers. This activity means that the consumer's impression of a particular brand turns out to be in the wake of the consumer's message and experience to create a strong image in the consumer. Factors that affect consumer perception in the decision-making and are influenced by

the brand can also be based on product design (*user friendly*), product quality price, and service (*at service and after-sales service*).

The Robert Half Organization, a human resources consulting agency, states that the attitude and behavior of producers in providing exemplary service to customers will determine the amount of turnover obtained. (Paul, 2005). Psychologically, consumers periodically evaluate whether what they give is comparable to what they get.

#### LITERATURE REVIEW

It is possible to determine whether a firm has a program to boost customer satisfaction and loyalty by seeing how it trains its personnel to give superior customer service. The company focuses on customers and can be open to every input/suggestion from customers to improve professional services to provide consumer needs and solutions to the problems faced. One of the characteristics is the service "call center" or help center that is easily accessible to consumers.

Customer loyalty achieved with brands can create offers and programs that encourage customers to make repurchases. Offers include coupons, accumulated points to get free products, and discounts (discounts) either membership-based or based on a selection of specific product types. One example of a customer loyalty program is the *airline's frequent flyer* program, where airlines provide offers and benefits and free flights and products based on the number of miles customers have flown. Customer loyalty is the program's primary goal so that customers choose to fly with the airline where they accumulate the most miles.

## **Perception**

Persepsi is a process of sensing that receives stimulus by individuals through sensory devices or the walgito sensory approach (2010). This process is then continued and then called the perception process. Perception refers to how sensory information is consciously regulated, interpreted, and experienced. Perception also involves the process from the bottom up or top to bottom. The process from the ground up will refer to the fact that perception is built from sensory inputs that continuously gather information from the environment that we will eventually interpret that information and will indirectly affect the way we interact with the world. The knowledge available will influence how we interpret sensory sensations, including our experiences and thoughts. This knowledge is called *top-down* processing (from top to bottom)

When we receive information through these sensors, sensations are physical processes, while perception tends to be more psychological. For example, when we walk into the kitchen and smell the aroma of cinnamon rolls, the sensation is the aroma receptors that sense cinnamon. Still, the perception may be, "mmm, this smells like the bread that grandma used to bake when the family gathers on the holidays ."But although perception is built from sensation, not all sensations can produce perception. For example, when we enter an empty classroom and hear the clock ticking in the room when the classroom is filled, the tick of the watch is no longer heard.

From the analogy mentioned above, it can say that one of the things that affect sensation and perception is "attention." Mindfulness plays an essential role in determining what you feel versus what you think. Aside from attention, one of the things that can affect perception is a person's motivation. When a person has certain expectations and goals, his sensory self tends to focus more on what he wants.

A person's motivation to take a vacation by visualizing the atmosphere of the vacation spot and suddenly presented with information that is not much different from what is imagined, then most likely his interest will be high because indirectly has built a positive perception. In addition to attention and motivation, things that affect other perceptions are values, prejudices, expectations, and the implementation of one's life. The experience of enjoying the atmosphere in a comfortable environment while on vacation or gathering with loved ones provides its sensation for consumers to re-enjoy the same feelings and experiences. Those happy memories will stick with them for the rest of their lives.

The above exposure also conveys that the perception is passive acceptance and in the form of learning, memory, hope, and the recipient's attention. Factors that affect the perception are internal factors related to psychological needs, educational background, sensory devices, nerves or the center of the nervous system, personality, and experience of self-acceptance of individual circumstances at any given time. While external factors are more to the object perceived by people and events, customer intensity, environment, and the strength of stimuli will also determine whether or not the inspiration is based.

In the scope of various perceptions, one of them is related to the perception of quality. This perception of quality basically cannot be established objectively because this perception tends to involve what is essential to the customer. One perception of quality is the perception of brand value. The high-quality perception will lead consumers to choose the brand compared to a

competitor's brand. In general, the perception of quality can describe the customer's feelings towards a brand and is directly related to indicators of consistency, reliability, reliability, and excellence. When marketing a product or service, marketers must be able to analyze packaging, pricing, locations, and the appropriate types of advertisements to understand the needs of different consumers. The customer perception process has three steps, which are as follows:

- a. *Exposure*. Namely the process of absorption of information of a product involving consumer senses. At this stage, consumers absorb and store the info offered to try. For example, a travel service company watches their service advertisements that provide ease of *booking* and attractive discounts. Another exposure technique is to make jargon exciting and easy to remember and attached to billboards, banners, and even advertisements, for example; Want to go for a walk? "Traveloka first," or "want to go anywhere, tickets .com. Repeated writing and speech will cause exposure for consumers to try to open the application and be affected to use their services.
- b. Attention. In this stage, consumers will process the information they get and enter the sensation stage in the form of comparing company A services with company B.
- c. *Interpretation*. Image taking or giving meaning by consumers to a product exists at this stage by paying attention to the characteristics of stimulus that is individual and situational. This stimulus can be brand, product form, packaging, advertising, and even the manufacturer's name.

The consumer perception process can be described as follows:

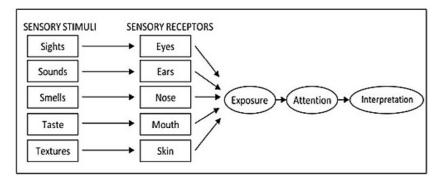


Figure 1: Consumer Perception Process

#### **Brand Image**

Imagery is the perception of an object relating to companies, products, and brands formed by processing information from various sources. In any marketing strategy, there is a tendency to influence the perception of a brand, store, or company. This strategy makes a marketer must consistently influence consumer behavior towards the image they want to convey. Anang Firmansyah (2018) mentions three types of imagery: Brand Image, Store Image, and Company Image. Brand image is often called *a brand image*, representing the brand's overall perception in the form of information and experience. The brand's image is also related to consumers' attitudes, beliefs, and preferences towards a brand. Consumers who have a positive image of a brand tend to be more likely to purchase.

The brand image leads to a memory scheme of a brand consisting of the consumer's interpretation of the attributes, advantages, uses, situations, users, characteristics of the marketer, and the characteristics of the manufacturer of that product or brand. With simple language, brand image is what consumers think and feel when they hear or see a brand name. Brand image is formed based on subjective perceptions of the collection of associations that consumers have about the brand. Volvo is associated with safety, Toyota is related to existence, and the iPhone is associated with originality.

Kotler (2002) states that "Brand image is a set of beliefs, ideas, and impressions that a person has on an object." From this definition, it is known that consumer beliefs, ideas, and impressions of products or services can form their brand image. A good brand will undoubtedly build a positive image for the company and cause trust for consumers. Trust and knowledge of brand attributes are *cognitive aspects*. In contrast, evaluation, feelings, emotions, and use of products/services in certain situations to the consequences of brand use are practical *aspects*. Brand image can be monitored by the company, including by conducting a brand perception survey where the company will be able to understand what is felt by customers and how their perception of the company's products and similar *competitors*.

The brand image does not have to be created but is formed automatically. The brand image includes product attractiveness, ease of use, functionality, fame, and overall value. Brand image is brand content. When consumers buy a product, they also buy its image. Brand image is the objective and mental feedback to consumers when creating products where the position brand image exceeds customer expectations, which automatically increases a company's goodwill and brand value.

#### **Consumer Loyalty**

Trust and knowledge of brand attributes (*cognitive aspects*) and the unique value of consumers will make them loyal customers. Customer loyalty shows the relationship between the company and the customer. In some ways, commitment can also cause customer retention, a

condition where the customer tends to choose the brand he likes rather than a competitor's brand. It results in repeat purchases. Anang Firmansyah (2018) wrote that customer satisfaction and loyalty have a related relationship but do not always encourage others. For example, customers who may not be satisfied could be loyal. This type of customer is called (*Captives*), meaning it will also allow customers who are very satisfied but disloyal. This situation could happen in a market that provides the same offer for a similar product presented by a competing company. The importance of customer loyalty makes every company strive to maintain its best number of customers over time. Sharing efforts are also carried out, including one of them continuing *to* take measurements of customer loyalty.

From the above exposure, a customer can be said to be loyal. If they make purchases regularly, buy product lines and services, refer to others, show retention of products from competing companies, are ready to pay a high price, and can be a tongue connector for other proactive customers.

#### **METHOD**

This research is quantitative and *explanatory research* that explains the relationship between research variables and hypothesis testing formulated by researchers. Researchers wanted to explain the relationship between consumer perception variables and brand imagery with consumer loyalty in the online-based travel application *marketplace*.

The approach used in this research is a quantitative approach that is a method that describes variables that are studied using data as they are. In the quantitative approach, the presentation of numerical research results consists of numbers to describe and explain phenomena that reflect the research results.

Conducted the research by disseminating questionnaire questionnaires to respondents who were users of the Travel Online platform, Agoda, Traveloka, Pegi-Pegi, and QQ, directly to the ticket sellers, which 108 respondents filled out.

#### **RESULTS AND DISCUSSION**

### Partial Analysis of Consumer Perception (XP) of Consumer Loyalty (YL)

The result of the calculation of SPSS Version 25 The regression equation is Y = 0.927 + 0.935 + 0.161. From the equation of the regression coefficient value of 0.935, if the regression

coefficient of the *Consumer Perception* variable is one percent while other independent variables are fixed, it will lead to an increase in Consumer Loyalty (Y) by 93.5%.

After partial testing is done and obtained DK = n-3 (108-3 = 105). The hypothesis is acceptable if t calculate> t table. Based on the ANOVA table above, obtained for Consumer Perception is t calculate > t table = (9,435 > 1,659), and the significance level of 0.00 < 0.05; thus, it can conclude that Consumer Perception has a significant effect on Consumer Loyalty.

### Partial Analysis of Brand Imagery (XCitra Merk) to Consumer Loyalty(YLembelian)

The result of the calculation of SPSS Version 25 The regression equation is Y = 0.927 + 0.935 + 0.161. The equation of the regression coefficient value of 0.161 means that if the regression coefficient of the Citra Merk variable is one percent while other independent variables are fixed, it will lead to an increase in Consumer Loyalty (Y) by 16.1%.

After partial testing is done and obtained DK = n-3 (108-3 = 105). Hypotheses are acceptable if t count > t table. Based on the ANOVA table above, obtained for Brand Image is t calculate > t table = (2,341 > 1,659), and the significance level of 0.021 < 0.05; thus, it can conclude that Brand Image has a significant effect on Consumer Loyalty.

Data analysis begins using classical assumption testing covering normality, multicollinearity, and heteroskedasticity tests. Based on the Kolmogorov – Smirnov test, it was obtained that the output that the data distributed normally. The test results show that the data is free from multicollinearity symptoms if the tolerance value ranges from 0.1 to <1 in the data above the kolineratas tolerance of 0.682. From the calculation results in the multicollinearity test result table, the free variable indicates that the value of VIF = 1.593 where the value is <10 or smaller than ten so that it can be concluded as free from multicollinearity.

Heterochemicity testing is said to be free from multicollinearity if the significant value > 0.05 or 5%. From the results of the multicollinearity test using the glejser test, the meaningful result of the free variable or variable X Consumer Perception shows 0.474, and the Brand XCitra of 0.10 is greater than the standard value of significance of 0.05. So it can be concluded that there is no problem that the regression model does not contain the presence of hetero chemistry.

Based on the multiple linear regression analysis results, regression equations are obtained.

Y = Y = 0.927 + 0.935X1 + 0.161X2, with the following meaning:

1. The value constant of 0.927 illustrates that if the value of an independent variable (Consumer Perception and Brand Image) is zero, then Consumer Loyalty is 0.927.

- 2. A price coefficient of 0.935 and a positive value indicate any price increase of 1 percent will be followed by a 0.935 increase in Consumer Loyalty, assuming other variables remain.
- 3. The Brand Image Coefficient of 0.161 and a positive value indicates that any price increase of 1 percent will be followed by a 0.161 increase in Consumer Loyalty, assuming other variables remain.

In his book, Ghozali (2016) "The coefficient of determination (R2) measures how far the model's ability to explain variations independent variables is. The value of the coefficient of determination is between zero and one. A small R<sup>2</sup> value means that the power of independent variables to explain the variation of dependent variables is very limited. Suppose the coefficient of determination (R<sup>2</sup>) is more significant or closer to 1. In that case, it can say that the ability of independent variables (XPerception of Consumers and XCitra Merk) is robust against dependent variables (YL, Consumer Loyalty).

Based on the testing results, the *adjusted R Square* value determination coefficient of 0.642 means the ability to vary price variables  $(X_1)$  and Brand Image  $(X_2)$ . And can explain the variation of Consumer Loyalty of 64.2%, and the remaining 35.8% is explained by other independent variables and factors that are not studied outside of this study.

#### **CONCLUSION**

Based on the description in the discussion, it can be concluded that: Consumer Perception partially affects consumer loyalty in online-based travel applications; Brand image partially affects consumer loyalty to online-based travel applications; Consumer Perception and Brand Image simultaneously affect consumer loyalty in online-based travel applications. The ability of price variables and brand image can explain the variation of consumer loyalty by 64.2%, and the remaining 35.8% is explained by other variables outside. So that on this basis, research can be developed again later by other researchers or researchers.

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