The Effects of Service Quality and Corporate Rebranding on Brand Image, Customer Satisfaction, Brand Equity and Customer Loyalty (Study in Advertising Company at tvOne)

Aspizain Caniago, Suharyono, Zainul Arifin, Srikandi Kumadji

1) Student of Doctoral Program in Business Administration, Faculty of Administration Sciences, Brawijaya University Malang, East Java, Indonesia
2) Professor of Business Administration Program, Faculty of Administration Sciences, Brawijaya University Malang, East Java, Indonesia
3) Lecturer of Business Administration Program, Faculty of Administration Sciences, Brawijaya University Malang, East Java, Indonesia

Email: caspizaan@yahoo.com.

ABSTRACT

The purpose of this study was to analyze the effects of service quality on brand image, service quality on customer satisfaction, service quality on brand equity, service quality on customer loyalty, corporate rebranding on brand image, corporate rebranding on customer satisfaction, corporate rebranding on brand equity, corporate rebranding on customer loyalty, brand image on customer satisfaction, brand image on brand equity, brand image on customer loyalty, customer satisfaction on customer loyalty, brand equity on customer loyalty. The population of this study consisted of loyal 173 corporate advertisers to tvOne, and the sample for this study was set as many as 173, but only 144 respondents who returned the feedback as part of the study. The 144 data were analyzed by using descriptive and inferential analysis of SEM. The research has proven that (1) the service quality significantly affects the brand image; (2) the service quality significantly influence the customer satisfaction; (3) the service quality significantly affects the brand equity; (4) the service quality significantly affects the customer loyalty; (5) the corporate rebranding has significant effects on the brand image; (6) the corporate rebranding has no significant effect on the customer satisfaction; (7) the corporate rebranding has no significant effect on the brand equity; (8) the corporate rebranding has no significant effect on the customer loyalty; (9) the brand image has significant effect on the customer satisfaction; (10) the brand image does not have significant effects on the brand equity; (11) the brand image does not have significant effects on the customer loyalty; (12) significant effects from the customer satisfaction on customer loyalty; and (13) significant effects of the brand equity on the customer loyalty.

Keywords: service quality, corporate rebranding, brand image, customer satisfaction, brand equity, customer loyalty

I. Introduction

The development of today's business world increasingly has been very competitive, especially in the increase fulfillment towards the human needs. As the implication, the role of marketing strategy is becoming increasingly important as the human needs might be dynamic in accordance with the development so that the marketers must be sensitive in understanding any changes on the tastes of the consumers. The marketing concept is a business philosophy that states that the satisfaction of the customer needs is a prerequisite for economic and social viability of the company (Basu, 2001). The marketing concept holds that the key to realizing the goals of the organization lies in the ability of the organization in creating, delivering and communicating customer value to the target market more effectively compared to the competitors.

The vast development of the market has prompted the companies to find the gap to increase the customer loyalty as reflected in the company achieved profits (Fornell et al., 1987). Such strategies in order to gain loyal customers are also essential to create a sustainable competitive advantage (Roberts et al., 2003). In business, loyal customers are important assets to the company as this can be understood from the characteristics, as revealed by Griffin (2002) that the characteristics of loyal customers include making repeat purchases on a regular basis, inter-line purchase of products and services, referring to others and showing resilience against the temptation of competitors. The relationship of service quality to the excellence of sources such as customer satisfaction and customer loyalty as stated by Liao (2009) that the service quality has may affect on the customer satisfaction and customer satisfaction has impacts to the customer loyalty. Saura, et al. (2008) also supports the direct effect of service quality and positive impact on customer satisfaction, customer satisfaction as well as direct positive effect on loyalty.

According to Kertajaya in Imam (2008), the company must always develop if it is to last in the long term,
which is not growing at the expense of all the costs but still make a profit growth, to grow and at the same time make a profit one way is to innovate. There are three types of innovations that can be selected by the company, namely minor invasion, moderate innovation, and major innovation. Minor innovation is innovation that aims to be better than the competitors, while moderate innovation is innovation that aims to improve the relationship with customers through new products or services, while the highest innovation is major innovation in which the company radically may change the positioning in the market, change and alter brand differentiation. The changes in the competitive position and changes in the external environment may cause the companies conduct corporate rebranding (Kaikati, 2003). Muzellec and Lambkin (2006) define the corporate rebranding as the creation of a name, term, symbol, design or a combination of these aspects that are new to a brand that has been established with the aim to develop a new and distinct position in the minds of stakeholders, including customers and competitors.

In the disclosure condition of channel tvOne set as the object to be studied based on the presence of symptoms and problems of innovation in relation to minor, moderate and major innovations to the service quality and corporate rebranding, where the feasibility of objects based on the channel tvOne as the service changes since the corporate rebranding from Lativi into tvOne, so it was relevant to be the object of this research. The phenomenon of tvOne rebranding was significant and becomes the target of some empirical studies of rebranding and service quality to the brand image, customer satisfaction, brand equity, and customer loyalty. The previous empirical studies have been conducted by Liao (2009) as the framework to examine the core of the biggest factors that may affect customer loyalty, to test the effect of the variables including the service quality to the perception of values, trusts, customer satisfaction and customer loyalty. In the research by Liao (2009), there were no brand-oriented variables to attest the biggest factors that may affect the customer loyalty, the orientarion on was not enough just to discuss solely by approaching the service quality, the perception of values and trusts in order to achieve customer satisfaction and customer loyalty, but it was supposed to be also associated with various other variables including the brand-oriented variables. This research study was to accommodate the three variables by Liao (2009), namely service quality, customer satisfaction and customer loyalty. A research by Lo, L.K. et al (2010) also confirms the positive influence between service quality, customer satisfaction and customer loyalty, a research by Mokhtar, et al (2011) also supports that the quality of service and customer satisfaction significantly affect the level of customer loyalty, research by Mohsan, et al (2011) also supports that customer satisfaction is positively correlated with the customer loyalty, research by Jahanshashi, et al (2011) also supports that the service quality has a positive effect on the customer satisfaction and customer loyalty.

Customer loyalty and customer satisfaction are created as the presence of a lot of brand image, positive strength of brand strength, and to be supported by previous studies related to the customer and the brand. Strong brand and quality tend to have a good image, which also has a good quality of service; the brand is able to translate the quality of service and customer satisfaction to customers' fanaticism to the brand. Teck, et al. (2012) showed that the quality of service may affect the brand in other words the relationship of service quality on brand image significantly, the results of a study by Tu, Y. et al (2012) found that the brand image may significantly affect customer satisfaction and customer loyalty, the results of the research conducted by Hossien (2011) similarly found that the brand image influences the brand equity. Research by Hong, YH (2009) showed a positive effect of service quality on brand equity, similar research by Mazzah Wan Omar (2010) found a positive relationship of brand equity to customer loyalty, to ensure that customer loyalty can be created on any brand, and not just the brands that are already big and famous, but the needs of assurance against any brand is carried through the rearrangement and recreation of the brand. You can bet every brand is really strong and has a positive image and then with readiness good quality service then we will get customer satisfaction ultimately gain the loyalty of customers, in other words that the research by Liao (2009) needs to be added and is equipped with a brand-oriented approach variable to the brand. Variables included in this study were adopted the corporate rebranding of research Goi Tea May (2009) who found that the rebranding may affect brand equity, further Petburikul (2009) stated that there is a rebranding of the brand equity, the research supports Tea May Go (2009) and Perburikul (2009), related to rebranding variable, it was reinforced also by the research journal by Plewa et al. (2009) who showed that the rebranding may affect customer satisfaction.

From the summary of the empirical researches above, it may be summed up that there are some variables that may affect each other, namely: the service quality on the customer satisfaction, the service quality on the brand image, the service quality on the brand equity and relationships among variables of the corporate rebranding to customer satisfaction and corporate rebranding to the brand equity. The relationships among variables of brand image on customer satisfaction and brand image on brand equity, as well as the relationship between the variables of brand image on customer loyalty, customer satisfaction to customer loyalty, brand equity to customer loyalty. The effects among these variables will answer whether the quality of services and
corporate rebranding affect brand image, customer satisfaction and customer loyalty. The main research problems of this study can be formulated as follows whether the quality of service and corporate rebranding affect brand image, customer satisfaction, brand equity and customer loyalty. The primary objective of this study was to analyze and explain the effects of service quality and corporate rebranding of the brand image, customer satisfaction, and brand equity and customer loyalty.

II. Research Method

The samples of this study were companies as advertisers on national TV channel tvOne, with a survey instrument using Likert Scale (scale 1-5), from strongly agree was given a score (5), to strongly disagree given a score (1). The instrument consisted of 34 items of service quality, corporate rebranding, brand image, customer satisfaction, brand equity, and customer loyalty. Before the questionnaires completed, a pretest was conducted involving 20 companies of advertisers on the national television (channel) tvOne. The survey was conducted from July to August 2013. This study used a population sample or all members of the sample population is used as a research and any organization (company) advertisers on tvOne represented by the marketing manager or marketing director as respondents. Census methods are all members of the population to become the sample (Singarimbun & Efendi, 1996). Reasons for using the census as a method of data collection techniques was because the population could reach as many as 173 that are located in Jakarta and surrounding areas that actualize opinion of Gay and Diehl (1992), the more samples that are taken will be more representative and the results can be generalized, however only 144 out of 173 samples that returned the inputs, or in other words, the effective rate of the respondents was 83%.

III. Results and Discussion

For the analysis of the validity and reliability based on test results that all values Cronbach's alpha (α) of each variable was 0.899 for the quality of service, 0.828 for the corporate rebranding, 0.805 for the brand image, 0.877 for the customer satisfaction, 0.623 for the brand equity and 0.833 for customer loyalty; all of them were above 0.60 so that it could be said that all the questions on the six variables studied are reliable, so the research instrument that measures six variables are valid and reliable, and measurement data using a questionnaire feasible. Confirmatory Factor Analysis (CFA) in this study showed significant whole construct, each indicator was jointly presenting a unidimensional, precise, consistent and dominant indicators, forming the construct under investigation in all variables. The conceptual framework of this study can be said as fit if it is supported by the theoretical model the empirical data. In line with the results of SEM, that the goodness of fit test results was to determine whether a full model hypothesized model had the support of empirical data, shown in Table 1.

<table>
<thead>
<tr>
<th>No</th>
<th>Goodness-of-Fit Index</th>
<th>Cut-Off Value</th>
<th>Results</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Significance Probability</td>
<td>≥ 0.05</td>
<td>0.101</td>
<td>Significant</td>
</tr>
<tr>
<td>2</td>
<td>$\chi^2$, Chi-square</td>
<td>$\chi^2$ (df 263) = 319.276</td>
<td>298.039</td>
<td>Significant</td>
</tr>
<tr>
<td>3</td>
<td>RMSEA</td>
<td>≤ 0.08</td>
<td>0.072</td>
<td>Significant</td>
</tr>
<tr>
<td>4</td>
<td>GFI</td>
<td>≥ 0.90</td>
<td>0.956</td>
<td>Significant</td>
</tr>
<tr>
<td>5</td>
<td>TLI</td>
<td>≥ 0.95</td>
<td>0.971</td>
<td>Significant</td>
</tr>
<tr>
<td>6</td>
<td>CFI</td>
<td>≥ 0.95</td>
<td>0.967</td>
<td>Significant</td>
</tr>
<tr>
<td>7</td>
<td>AGFI</td>
<td>≥ 0.90</td>
<td>0.962</td>
<td>Significant</td>
</tr>
<tr>
<td>8</td>
<td>CMIN/DF</td>
<td>≤ 2.00</td>
<td>1.133</td>
<td>Significant</td>
</tr>
</tbody>
</table>

The test results through goodness of fit full model to investigate whether the hypothesis model is supported by the empirical data, as shown on Figure 1:
Figure 1 Path Diagram of SEM Result

From the test results, it appears that there were 9 paths that indicate significant causal relationships; it is seen from the value of significance (p-value) which was less than 5%, while the other four paths show the causal relationships which were not significant, it can be seen from the value of significance (p-value) of greater than 5%, namely the corporate rebranding to customer satisfaction, the corporate rebranding to the brand equity, the corporate rebranding on the customer loyalty and the brand image to the customer loyalty. Structural models of SEM Results Direct Effect can be seen in Table 2.

Table 2 Structural Model for SEM Results Direct Effect

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Relationships among variables</th>
<th>Standardize</th>
<th>P-Value</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Service quality (X1) to Brand Image (Y1)</td>
<td>0.147</td>
<td>0.034</td>
<td>Significant</td>
</tr>
<tr>
<td>2</td>
<td>Service quality (X1) to Costumer satisfaction (Y2)</td>
<td>0.235</td>
<td>0.011</td>
<td>Significant</td>
</tr>
<tr>
<td>3</td>
<td>Service quality (X1) to Brand Equity (Y3)</td>
<td>0.193</td>
<td>0.027</td>
<td>Significant</td>
</tr>
<tr>
<td>4</td>
<td>Service quality (X1) to Costumer Loyalty (Y4)</td>
<td>0.471</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>5</td>
<td>Corporate Rebranding (X2) to Brand Image (Y1)</td>
<td>0.488</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>6</td>
<td>Corporate Rebranding (X2) to Costumer satisfaction (Y2)</td>
<td>0.016</td>
<td>0.883</td>
<td>Not Significant</td>
</tr>
<tr>
<td>7</td>
<td>Corporate Rebranding (X2) to Brand Equity (Y3)</td>
<td>0.027</td>
<td>0.804</td>
<td>Not Significant</td>
</tr>
<tr>
<td>8</td>
<td>Corporate Rebranding (X2) to Costumer Loyalty (Y4)</td>
<td>0.012</td>
<td>0.884</td>
<td>Not Significant</td>
</tr>
<tr>
<td>9</td>
<td>Brand Image (Y1) to Costumer Satisfaction (Y2)</td>
<td>0.441</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>10</td>
<td>Brand Image (Y1) to Brand Equity (Y3)</td>
<td>0.688</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>11</td>
<td>Brand Image (Y1) to Costumer Loyalty (Y4)</td>
<td>0.048</td>
<td>0.735</td>
<td>Not Significant</td>
</tr>
<tr>
<td>12</td>
<td>Costumer satisfaction (Y2) to Costumer loyalty (Y4)</td>
<td>0.243</td>
<td>0.005</td>
<td>Significant</td>
</tr>
<tr>
<td>13</td>
<td>Brand Equity (Y3) to Costumer loyalty (Y4)</td>
<td>0.406</td>
<td>0.005</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Note: (p-Value < 0.05)

The hypotheses proposed in this study were 13 (thirteen) hypotheses. Based on the results of the study indicate that there were 9 (nine) hypotheses that are accepted and 4 (four) hypotheses that are rejected. The results of hypothesis testing can be described as follows:

H1, H2, H3 and H4 showed a significant effect between the service quality on the brand image, customer satisfaction, brand equity, and customer loyalty. The results of this study support the research by Liao (2009) the quality of services significantly affect the customer satisfaction, customer loyalty. Teck et al. (2012) which also
suggests a significant impact on the quality of service to the brand image. The results of this study also supports researches by Mokhtar et al. (2011), Jahanshashi et al. (2011), Lo et al. (2010) which suggest that the quality of service significantly impacts the customer satisfaction. The results of this study support the research by Hong, YH (2009) which suggests that the quality of service has significant impact to the brand equity, explaining that the very strong influence of service quality effect to the brand equity.

H5, H6, H7, and H8 showed that corporate rebranding has a significant effect on the brand image, however no significant effects on customer satisfaction, brand equity, and customer loyalty. The results of this study support the research by Bamiduro and Aremu (2012) which asserts the influence of the corporate rebranding to the brand image. These results are different with the studies by Plewa et al (2010) that argued corporate rebranding has a significant impact to the customer satisfaction. The results of this study are also different with Petburikal’s study (2009) which suggests that corporate rebranding has a significant impact to the brand equity. The results of this study are also different with the study by Teh (2009) that suggests the corporate rebranding has a significant impact on the brand equity. The results of this study support the research by Tevi (2013) which states that to determine the impact of rebranding on customer loyalty with rebranding findings did not significantly affect the attitude of the customer in choosing the brand, thus that customers are not loyal to a particular brand.

H9, H10, and H11 showed a significant effect of the brand image on the customer satisfaction, brand equity, and customer loyalty. The results of this study support the research by Tu, Y et al. (2012) suggested that the brand image significantly impact the customer satisfaction. Brand image of the company affects significantly on the customer satisfaction and customer loyalty. Customer satisfaction, in other words, has a strong impact to the customer loyalty towards the products. The results of this study support the research by Hossien (2011) that suggests that the brand image has a significant impact to the brand equity. Brand image significantly affects the brand equity, where the brand loyalty and brand image influence brand equity, brand loyalty, and brand image as mediation in support of the brand equity. The consumer perceptions towards the brand equity dimensions may affect the assessment of the overall brand equity. These results are meanwhile different with the studies by Tu et al. (2012) that asserted there was a significant impact of brand image on customer loyalty.

H12 showed that customer satisfaction has a significant effect on the customer loyalty. This result is in line with the research by Mohsain et al. (2011), Mokhtar et al. (2011), Tu et al. (2012), Lo et al. (2010), Jahanshashi et al. (2011), Liao (2009) that all support the idea of prominent positive relationship between consumer satisfaction and customer loyalty.

H13 stated that brand equity has a significant effect on customer loyalty. The results of this study support the research of Omar and Ali (2010) that connects the brand equity to customer loyalty.

For the indirect effect, the result is of the multiplication of two of the direct influence. Indirect effect can be declared significant if both significant direct influences that shape the significance. Structural model of SEM results indirect effect can be seen in Table 3.

<table>
<thead>
<tr>
<th>Indirect effects</th>
<th>Direct effect coefficient</th>
<th>Indirect effect coefficient</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1→Y1→Y2</td>
<td>X1→Y1= 0.147 Y1→Y2= 0.441</td>
<td>0.065</td>
<td>Significant</td>
</tr>
<tr>
<td>X1→Y1→Y3</td>
<td>X1→Y1= 0.147 Y1→Y3= 0.688</td>
<td>0.101</td>
<td>Significant</td>
</tr>
<tr>
<td>X1→Y1→Y4</td>
<td>X1→Y1= 0.147 Y1→Y4= 0.048</td>
<td>0.007</td>
<td>Not Significant</td>
</tr>
<tr>
<td>X1→Y2→Y4</td>
<td>X1→Y2= 0.235 Y2→Y4= 0.243</td>
<td>0.057</td>
<td>Significant</td>
</tr>
<tr>
<td>X1→Y3→Y4</td>
<td>X1→Y3= 0.193 Y3→Y4= 0.406</td>
<td>0.078</td>
<td>Significant</td>
</tr>
<tr>
<td>X2→Y1→Y2</td>
<td>X2→Y1= 0.488 Y1→Y2= 0.441</td>
<td>0.215</td>
<td>Significant</td>
</tr>
<tr>
<td>X2→Y1→Y3</td>
<td>X2→Y1= 0.488 Y1→Y3= 0.688</td>
<td>0.335</td>
<td>Significant</td>
</tr>
<tr>
<td>X2→Y1→Y4</td>
<td>X2→Y1= 0.488 Y1→Y4= 0.048</td>
<td>0.023</td>
<td>Not Significant</td>
</tr>
<tr>
<td>X2→Y2→Y4</td>
<td>X2→Y2= 0.016 Y2→Y4= 0.243</td>
<td>0.004</td>
<td>Not Significant</td>
</tr>
<tr>
<td>X2→Y3→Y4</td>
<td>X2→Y3= 0.027 Y3→Y4= 0.406</td>
<td>0.011</td>
<td>Not Significant</td>
</tr>
</tbody>
</table>
The implications of service quality are considered as fundamental and thus to assure the management of tvOne to be applied, due to the implementation of corporate rebranding can be executed if only it is supported with the optimal quality of service. The implications of corporate rebranding that has been conducted by tvOne will give positive impact if the implementation of maximum service quality is executed and ultimately the impact may improve the brand image, customer satisfaction, brand equity and customer loyalty. Implications brand image is very important as an intervening indirect effect that makes customers feel satisfied, as well as to create brand equity and customer loyalty. The implications of customer satisfaction can be employed through the commitment of the management of tvOne in realizing management competence and providing quality assurance services implementation. The implications of brand equity, namely by getting a good image of the management of tvOne through consistent performance of the management that will give positive impact on the brand equity in order to achieve a strong and well-known brand, giving an impact on the loyalty of the advertisers in the television (tvOne).

IV. Conclusions
There are some conclusions from this study as follows: 1) Service quality directly affects the brand image. This means that the better quality of service by tvOne, the better the brand image of tvOne, and vice versa. 2) Service quality directly influences the customer satisfaction. This means that the better service quality of tvOne might impact positively to the customer satisfaction towards tvOne, and vice versa. 3) Quality service has direct effect on the brand equity. This means that the better quality service of tvOne, the better the brand equity of tvOne, and vice versa. 4) Service quality affects the customer loyalty. This means that the better service quality of tvOne might create loyalty within the customers of tvOne, and vice versa. 5) Corporate rebranding has effect on the brand image. This means that if the better corporate rebranding of tvOne, the better the brand image of tvOne, and vice versa. 6) Corporate rebranding has no significant and direct effect on customer satisfaction. This result means that corporate rebranding conducted by tvOne might not enable customer satisfied by the advertisers on the channel. Indirectly, however, the corporate rebranding has significant effect on customer satisfaction in terms of brand image. 7) Corporate rebranding has no significant and direct effect on the brand equity. This result means that corporate rebranding conducted by tvOne might unable to create brand equity directly. Indirectly, however, the corporate rebranding has significant effect on the customer satisfaction in terms of brand image. 8) Corporate rebranding has no significant and direct effect on the customer loyalty. This result means that the corporate rebranding conducted by tvOne might unable to create customer loyalty directly. Indirectly, however, the corporate rebranding has significant effect on the customer loyalty in terms of brand image, customer satisfaction or brand equity. 9) Brand image directly influences the customer satisfaction. This means that the better the brand image of tvOne, the better the customer satisfaction towards the channel, and vice versa. 10) Brand image has direct influence to the brand equity. This means that if tvOne has better brand image, the better the brand equity of tvOne, and vice versa. 11) Brand image has no significant and direct effect on the customer loyalty. This result means that the brand image of tvOne might unable to directly create customer loyalty advertisers on the channel, except through the indirect effect in terms of customer satisfaction or brand equity. 12) Customer satisfaction directly influences the customer loyalty. This means that if the customers are satisfied well, the better the customer loyalty towards tvOne, and vice versa. 13) Brand equity has direct effect on the customer loyalty. This means that if the better brand equity of tvOne, the better the customer loyalty towards the channel, and vice versa.

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