
Trust in Corporate Image and Its Impact on Customers' Loyalty

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ABSTRACT

Customer loyalty plays an important role in Industrial production and service. This banking industry is an industry based on the principle of trust (agent of trust), so it is necessary to create an image first so that prospective customers grow trust in our company first. The phenomenon that occurs in the field today seems to be starting to show a decline in customers due to several current economic conditions, customers who often use credit are starting to decline but prefer to switch to savings products even though the credit process is easy and fast , competing with commercial banks. Research objectives (1) to analyze the effect of corporate ability image and corporate social responsibility image on trust; (2) Analyzing the influence of corporate ability image and corporate social responsibility image on loyalty; (3) Analyzing the influence of corporate ability image and corporate social responsibility image on loyalty through trust; (4) Analyze the effect of trust on loyalty. The research method is a descriptive quantitative method. The sampling method used in this study is Accidental Sampling, which is a sampling technique carried out by appointing anyone or by chance provided that they have used a product from a BPR. Corporate ability image has a positive and significant impact on customer trust. Corporate Social Responsibility Image has a positive and significant influence on customer trust. Corporate Ability Image affects customer loyalty through trust. Corporate Social Responsibility Image affects customer loyalty through trust affects customer loyalty. Trust has a significant influence on customer loyalty.

Keywords: Corporate Image; Corporate Ability Image; Corporate Social Responsibility Image; Trusts; Customer Loyalty

INTRODUCTION

There is fierce competition from many banks, banks are competing to create superior products to meet consumer desires. The banking industry is an industry based on the principle of trust (agent of trust). On the basis of trust, it is necessary to create an image first so that prospective customers grow trust in our company first. *The company's image is the customer's perception of the service received by the customer. A positive image enables a company to gain a reputation value and competitive advantage*, Soliha et al (2019). When interpreted, the company's image is the customer's perception of the service received by the customer, the more positive image obtained, the more it allows the company to gain reputation value and competitive advantage. The Expectancy Disconfirmation Model theory developed by Sumarwan(2018) argues that consumer satisfaction and dissatisfaction is the

impact of the comparison between consumer expectations before using the actual obtained from the product.

BPR Nusamba issued the "Mitra Growing Development" brand by offering several superior products such as Harmoni Plus Credit, Harmoni Plus Savings and Super Plus Deposits. The phenomenon that occurs in the field today seems to be starting to show a decline in customers due to several current economic conditions, customers who often use credit are starting to decline but prefer to switch to savings products even though the credit process is easy and fast , competing with commercial banks.

Based on research that has been done by Wemben et al(2020), corporate image has a positive and significant effect on customer loyalty. However, in another study conducted by Soliha et al, bank image has no effect on customer loyalty(Soliha et al., 2019).*Corporate*

ability image, which represents the company's ability to produce or serve its customers, or corporate social responsibility image, which represents the company's image under social characteristics. Since CA image is directly related to product/service attributes, it is the main channel for consumers to infer product/service quality, Walsh and Bartikowski(2013). Yu et al.,(2021)stated that Corporate Ability Image has a positive effect on trust. Corporate social responsibility image is defined as the company's commitment to provide good benefits for employees, consumers, social communities, and the environment. The positive effect of CSR on customer behavior arises because companies with good CSR practices create a reservoir of goodwill that encourages customers to act as supporters of the company and adjust their behavior. The findings of the research conducted by Kim and Ham(2016);Gunawan et al., (2022)revealed a positive relationship between Corporate Social Responsibility and customer loyalty. Trust enables relationships between suppliers and consumers of services that extend beyond temporary transactions, allowing these relationships to extend into the future(Nugraheni & Maria, 2022; Yulianto et al., 2021).

The formulation of the problem in the form of questions in this study relates to how the influence of *corporate ability image* and corporate social responsibility Image on loyalty through trust. Hence the goal The research is (1) to analyze the influence of corporate ability image and corporate social responsibility image on trust; (2) Analyzing the influence of corporate ability image and corporate social responsibility image on loyalty; (3) Analyzing the influence of corporate ability image and corporate social responsibility image on loyalty through trust; (4) Analyze the effect of trust on loyalty

METHODS

The research framework is based on several previous studies, Yu et al.,(2021)stated that Corporate Ability Image has a significant effect on trust. Yazid et al.,(2020)stated that Corporate Ability Image has a significant effect on loyalty. Kim and Ham(2016)also revealed a significant relationship between Corporate Social Responsibility and customer loyalty. Trust also has a significant influence on loyalty according to the results of Islam(2021). The framework is described as follows:

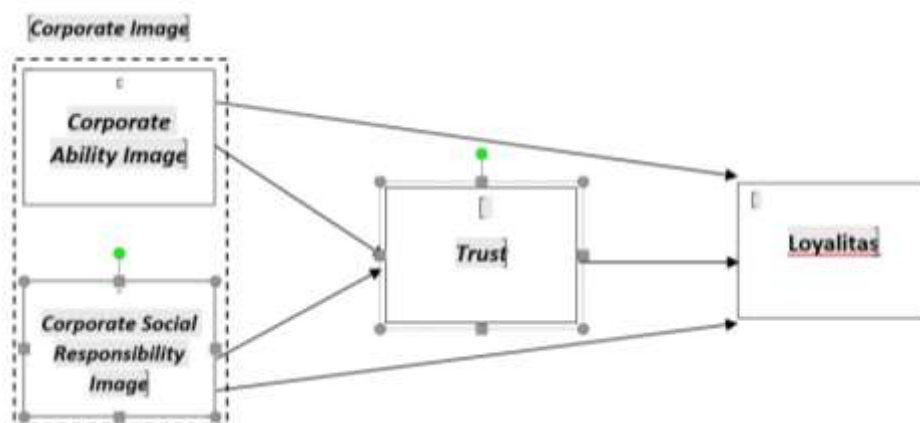


Figure 2. Research Framework

The sampling method used in this study is Accidental Sampling, which is a sampling technique carried out by appointing anyone or by chance provided that they have used a product from BPR Nusamba Cepiring. The sample in this study was 150 respondents who were customers

of BPR Nusamba Cepiring. The questionnaire will use a five-point Likert scale, ranging from "1 = strongly disagree" to "5 = strongly agree" to measure all the items tested.

There are 3 measurement items from Corporate Ability Image, 8 measurement items

from Corporate Social Responsibility Image, 4 measurement items from trust, and 5 measurement items from customer loyalty.

RESULTS and DISCUSSION

Instrument Test

Test Goodness Of Fit Full Model

The results of the goodness of fit full model test analysis with AMOS data are 100 respondents:

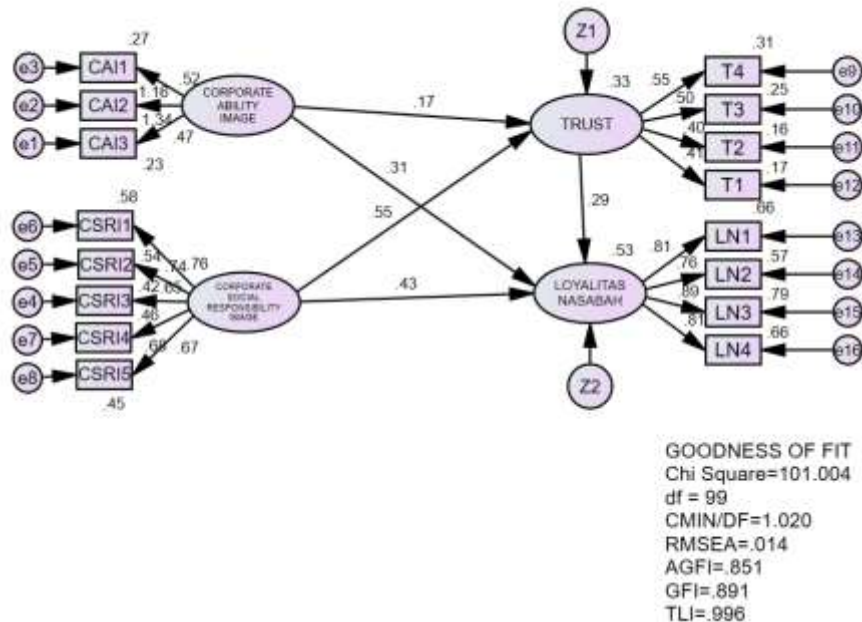


Figure 2. Full Model

Testing of the goodness of fit model must be carried out to ensure that the structural model that is prepared can explain the direction of the

relationship and influence correctly and does not cause estimation bias.

Table 1 Goodness of Fit Test Results

Goodness of fit index	Cut-off values	Model Results	Information
Sig Chi-Square	0.05	0.052	marginal
RMSEA	0.08	0.014	fit
GFI	0.9	891	marginal
AGFI	0.9	0.851	marginal
TLI	0.95	0.996	fit
CMIN/DF	2	1020	fit

Source: Processed primary data, 2022

Based on table 1, it can be seen that the criteria in the goodness of fit test for the modified structural model have met the required criteria.

Hypothesis testing

Table 2 Trust Model Test Results

No	Exogenous Latent Variable Names	Direct Influence
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1	<i>Corporate Ability Image</i>		Path Coefficient	0.166
			critical ratio	2,478
2	<i>Corporate Social Responsibility Image</i>		Path Coefficient	0.553
			critical ratio	2,954

Source: Processed primary data, 2022

The effect of corporate ability image on trust based on direct test results has a critical ratio value of 2.478. This value is eligible to receive H01 because it is smaller than 1.98 (2.478 > 1.98). Thus, it can be concluded that the corporate ability image formed by the 3 indicators is proven to have an effect on trust. Direct estimation (direct effect) obtained path coefficient value of 0.166, which means that the latent variable of corporate ability image directly affects trust by 16.6%.

The influence of Corporate Social Responsibility Image on trust based on direct

test results has a critical ratio value of 2.954. This value is eligible to reject H02 because it is greater than 1.98 (2.954 > 1.96). Thus, it can be concluded that the Corporate Social Responsibility Image formed by the 5 indicators is proven to have a significant effect on trust. Direct estimation (direct effect) obtained path coefficient value of 0.553 which means that the latent variable of Corporate Social Responsibility Image directly affects trust by 55.3%. Every 1 unit increase in the value of Corporate Social Responsibility Image is predicted to have an impact on increasing the Corporate Social Responsibility Image by 55.3%.

Table 3 Test Results of Customer Loyalty Model

No	Exogenous Latent Variable Names	Indirect Influence	Direct Influence	Total Influences
1	<i>Corporate Ability Image</i>	Path Coefficient critical ratio	0.166	0.305 3,329
2	<i>Corporate Social Responsibility Image</i>	Path Coefficient critical ratio	0.553	0.432 2,980
3	<i>Trusts</i>	Path Coefficient critical ratio		0.292 1,996

Source: Processed primary data, 2022

The exogenous latent variable Corporate Ability Image either directly, indirectly or in total has an influence on customer loyalty through trust has the criterion ratio > t-table (3.329 >

1.98). This value is eligible to reject H03 because it is greater than 1.98. The Corporate Ability Image variable directly affects customer loyalty by 0.305 or 30.5%, indirectly the



Corporate Ability Image variable affects customer loyalty through trust by 0.166 or 16.6%. Meanwhile, in total, the Corporate Ability Image variable affects customer loyalty by 0.471 or 47.1%.

The exogenous latent variable Corporate Social Responsibility Image either directly, indirectly or in total has an effect on customer loyalty having a critical ratio of 2.980. This value is eligible to reject H04 because it is greater than 1.98 ($2.980 > 1.98$). Directly the latent variable of Corporate Social Responsibility Image affects customer loyalty by 0.432 or 43.2%, while the indirect effect through trust affects customer loyalty by 0.553 or 55.3%. So that the variable Corporate Social Responsibility Image in total affects customer loyalty by 0.985 or 98.5%.

The latent variable endogenous trust has an influence on customer loyalty because it has a critical ratio value greater than t-table ($1.996 > 1.98$). This value is eligible to reject H05 because it is greater than 1.98. Thus it can be concluded that the trust variable which is formed from 4 indicators is proven to have a significant influence on customer loyalty. Estimating the direct effect, the path coefficient value is 0.292, which means that the direct effect of trust on customer loyalty is 29.2%.

CONCLUSION

Based on the research results obtained from the results of distributing questionnaires and data processing using SEM with AMOS software, it can be concluded that corporate image ability has a positive and significant influence on the trust of BPR Nusamba Cepiring customers. This means that if the corporate image ability is increased, the customer trust will also increase. Corporate Social Responsibility Image has a positive and significant impact on the trust of BPR Nusamba Cepiring customers. This means that if the Corporate Social Responsibility Image is increased, the trust of

BPR Nusamba Cepiring customers will also increase. Corporate Ability Image affects customer loyalty through trust. The results show that Corporate Social Responsibility Image affects customer loyalty through trust affects customer loyalty.

Based on the results of the study, it can be concluded that the limitations of this study are as follows. This study only measures the influence of the corporate ability image, corporate social variables

Based on the results of the analysis and conclusions, the suggestions that can be given in further research are as follows, it is necessary to add an interview method so that the information obtained is more accurate. For further research, it is expected to use more samples, using other mediating variables apart from satisfaction, one of which is quality. service. *responsible image*, trust on customer loyalty. The samples used in the study are still limited.

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