The Influence of Brand Image, Brand Trust, and Loyalty Program on Purchasing Intensity of Indosat (IM3) Products in Ngronggot District, Nganjuk Regency

Devi Nanda Wijaya[1]*, Hery Purnomo[2]

[1,2] University of Nusantara PGRI Kediri, Jl. KH. Ahmad Dahlan No. 76, Mojoroto, Kediri City, East Java, 64112, Indonesia

nandaw352@gmail.com[*], herypurnomo@unpkediri.ac.id

*corresponding author

Abstract

Research aim : *This study aims to determine and describe the influence of Indosat brand image, Indosat brand trust and Indosat (IM3) loyalty programs on purchasing interest in products IM3 in Ngronggot District, Nganjuk Regency.*

Design/Method/Approach : *This study analyzes the influence of Indosat brand image, Indosat brand trust and Indosat loyalty program (IM3) on purchase interest using a causal quantitative method with subjects of Indosat provider users in Ngronggot District, a sample of 40 respondents with a non-probability sampling technique. The data analysis technique uses multiple linear regression tests, namely, among others, instrument tests, classical assumption tests, multiple linear regression tests, determination tests and hypothesis tests.*

Research Finding : *This study shows that loyalty programs, brand trust and brand image have a positive and significant effect on purchasing interest in Indosat products (IM3). In addition, brand image, brand trust and loyalty programs together have a positive and significant effect on purchasing interest.*

Theoretical contribution/Originality : *This study contributes to the understanding of Indosat (IM3) loyalty program, Indosat brand image and Indosat brand trust towards telecommunication product purchasing behavior in the local market.*

Practitionel/Policy implication : *This research can provide a general overview of marketing strategies, designing loyalty programs, and understanding customer needs and expectations in encouraging sustainable purchases.*

Research limitation : *This research only focuses on Indosat brand image, Indosat brand trust, Indosat (IM3) loyalty programs and also the intensity of consumer purchases of Indosat products.*

Keywords : *Brand Image, Brand Trust, Loyalty Program, Purchase Intention*

1. Introduction

Indonesia is entering an era of very rapid globalization and technology, especially the use of cellular telephones. The rapid development of cellular telephones is marked by the increase in cellular telephone ownership in Indonesia. At the opening ceremony of the Festival of Digital Economy and Finance (FEKDI) and Indonesian Creative Work (KKI) in Jakarta which was held on 01-04 August 2024. President Jokowi stated that active cellphones in Indonesia reached 280 million, a figure that exceeds the total population in Indonesia at that time. Meanwhile internet usage in Indonesia has reached 185 million, the underlying reason for this increase is due to technological changes which require people to have sophisticated smartphones and have an internet network, for everyday life from education to work needs [1].

With the existence of smartphone and Internet users in Indonesia, telecommunications service provider companies were formed, one of which is Indosat Ooredoo Hutchison. This telecommunications service provider offers communication services and mobile phone users as well as internet channel services. This company also provides internet starter cards which are used to support cell phone use. From this, competition arises between companies operating in the same field, to create internet data package products with various offers. Data package providers in Indonesia include Telkomsel, XL, Axis, Smartfren and so on. Internet starter cards are used to support the use of smartphones and the internet, because of this, companies are competing to create internet data package products with various advantages, because many data package providers mean that customers do not settle on just one operator. The following is data on the number of cellular operator customers in Indonesia:

Table 1. Total Percentage of Cellular Operators with the Most Users in Indonesia 2018-2023

Date Name	value
Smarfren	5,32
XL / Axis	21
Indosat Ooredoo / Three	33,4
Telkomsel / Halo / Simpati	40,27

Source: https://databoks.katadata.co.id/

From sources obtained, President Director and CEO of Indosat Ooredoo, Vikram Sinha said, in September 2024 the number of Indosat customers in East Java will reach 15.1 million. East Java is ranked second in internet usage as a province, with 34.08 million internet users, the largest on the island of Java [2]. Increasing internet users mean that demand for internet data packages is also increasing, so Indosat Ooredoo Hutchison has created a strategy to attract consumers. Consumers want quality products at affordable prices so they can be used for the time long term. Therefore, to attract consumers, Indosat Ooredoo Hutchison creates products with various attractive offers and programs so that consumers remain loyal to Indosat and make repeat purchases.

Beneke et al. (2016) explains that purchase intention is a prediction of a person's possibility of buying a product, which is obtained from the interaction between customer needs, perceptions and attitudes towards a product with a certain brand, he also stated that individual judgments about purchasing a designated brand are one of the most important behavioral consequences of brand equity [3]. One of Indosat Ooredoo Hutchison's goals is to make consumers buy its products repeatedly. Indosat has several strategies to attract consumers to make repeat purchases by offering attractive promos (Hot promos) for internet packages at cheaper prices, loyalty programs (IMPoin) prizes given by Indosat to customers who loyally buy. This promo package and IMPoin program aims to create long-term relationships between Indosat and customers, enabling buyers to tend to make repeat purchases, Indosat is more focused on providing a satisfying experience and maintaining loyalty through service. Purchase Intention Indicator According to Ferdinand (2002:25-26) Ferdinand's book, Augusty prof 2006 "management research methods" are transactional interest, referential interest and exploratory interest [4].

The explanation of brand image according to Keller is an assumption referring to a brand that is reflected by consumers which is stored in consumers' memories [5]. A brand is not only an identity but also links it to quality, value and consumer experience when using a product. The higher the Indosat product image, the greater the consumer's to make purchasing decisions. Brand image indicators according to Bambang in the Journal of Business and Management (2013), brand image indicators are brand association, brand personality, brand identity [6]. A positive brand image can significantly increase the likelihood of repeat purchases. Consumers tend to believe that products from brands they know and like will provide the same or better benefits than unknown brands. Brands with a positive image will be easier to retain their customers and increase long-term value. From previous research, it was found that brand image has a positive influence on the purchase intention of halal milo milk products [7].

According to Delgado, brand's goodwill (brand intention) comes from the belief that the brand prioritizes the interests of consumers and the brand trust is (brand stability) which is the ability of a brand to be trusted, brand stability comes from the belief that the product fulfills the promised value [5]. Brand trust makes consumers comfortable and can build loyalty through ongoing purchases, so that a good and close relationship can be established between. Indicators in the Delgado's (2005) Journal are reability and intention [8]. Brand trust plays an important role in influencing repurchase intention. When consumers believe that a brand is able to provide consistent quality and service, consumers tend to feel confident to repurchase products from that brand. Building and maintaining brand trust is very important to create long-term relationships with customers. Previous research found that brand trust has a positive influence on purchase intention of halal Milo milk products [7].

The products and programs provided by Indosat can build customer loyalty. Customer loyalty is the level of loyalty and attachment that customers have towards the product. Loyal

customers will continue to buy the chosen product even though there are many other choices on the market. Apart from customer loyalty, there is also a loyalty program, which is a strategy carried out by a brand to increase loyalty, by encouraging customers to make continuous purchases in a long-term relationship. Loyalty is given like giving awards, the awards given by Indosat are IMPoin. The loyalty program indicator in the Journal "Effect of loyalty programs on value perception of loyalty programs and brand loyalty" by Youjae and Hoseong is the proposed reward are what i have wanted and the proposed reward have high cast value, It is highly likely but get the proposed reward [9]. The presence of a loyalty program creates added value for customers and increases their attachment to the brand. Customers who feel appreciated and receive additional benefits tend to have a greater desire to make repeat purchases, a well-managed loyalty program will increase customer satisfaction, create loyalty, and directly encourage repeat purchase intentions. Previous research states that loyalty programs have the greatest influence on purchase intentions [10].

With the explanation stated above, this research explains the brand image, brand trust and loyalty program variables which influence the purchase intention variable (repeat purchases). This research takes the object of a telecommunications product, namely Indosat Ooredoo (IM3), also supported by a of previous research, used as reference material in this research. The research used is by Edward and Tommy (2021) with the title "The Influence of Perceived Quality, Brand Image, Brand Trust on Puchase Intention for Milo Products", researched that brand image and brand trust influence purchase intention for Milo products, the brand image variable has an influence on purchase intention for Milo halal milk in Jakarta [7], and the article by Devi Tri, Riska Dewi, Teguh Diyanto and Wisnu Sakti (2020) with the title "The Influence of Digital Loyalty Programs on Customer Satisfaction and Loyalty, Tokopedia Case Study", loyalty program variables influence customer loyalty. This indicates that the loyalty program influences purchasing loyalty [10].

1.1. Statement of Problem

From the discussion above, several problems can be identified which will later be used as research are smartphone or cell phone users in Indonesia are increasing, internet users in East Java are very high, especially Indosat Ooredoo users, and competition between telecommunications companies in Indonesia in creating internet data package products. The problem statement in this study is formulated as follows:

1. Does brand image, influence the intensity of purchasing Indosat (IM3) products in Ngronggot District?
2. Does brand trust, influence the intensity of purchasing Indosat (IM3) products in Ngronggot District?
3. Does the loyalty program, influence the intensity of purchasing Indosat (IM3) products in Ngronggot District?
4. Do brand image, brand trust and loyalty programs influence the intensity of purchasing Indosat (IM3) products in Ngronggot District?

1.2. Research Objectives

In this study, researchers chose users of Indosat (IM3) cellular operator products in Ngronggot District as research subjects. The objectives of this study are:

1. To describe brand image, influencing purchase intentions for Indosat (IM3) products in Ngronggot District.
2. To describe brand trust influencing purchase intentions for Indosat (IM3) products in Ngronggot District.
3. To describe loyalty program influencing purchase intentions for Indosat (IM3) products in Ngronggot District.
4. To describe loyalty program, brand trust and brand image on the intensity of purchasing Indosat (IM3) products in Ngronggot District.

2. Method

This study uses a causal quantitative method, with primary data obtained through the distribution of online questionnaires. Questionnaire respondents are in accordance with predetermined criteria. Sampling using quota sampling, based on Roscoe's theory which states that the minimum sample size is 10 for each variable. The four variables in this study are purchase interest, loyalty program, brand trust and brand image, so that the number of samples taken is 40 samples. With a Likert scale questionnaire instrument indicating "strongly disagree", "disagree", "neutral", "agree" and "strongly agree". The questionnaire was tested first before being distributed to respondents, to test the questionnaire statements, validity and reliability tests are required.

The data analysis technique in this study used multiple linear regression, namely:

1. Instrument test (validity and reliability) to test the questionnaire statement
2. Classical assumption test
   - Normality test to test whether the data for each research variable is normally distributed or not
   - Heteroscedasticity test to test whether the regression model experiences inequality of variance
   - Multicollinearity test to test whether the regression model determines the correlation between independent variables
3. Multiple linear regression test to test whether or not there is an influence of independent variables on the dependent variable
4. Coefficient of determination test to test how much percentage of variation in independent variables
5. Hypothesis test
   - T test to determine each independent variable on the dependent variable
   - F test to test the influence of independent variables on the dependent variable.

The following are the results of the intrusment test (validity and reliability) of this research questionnaire:

Validity

According to Ghozali, validity tests are used to validate questionnaires. A questionnaire is considered valid if the items included accurately reflect what the questionnaire is intended to measure. From the calculation of the R table of 5% with a total of 38, we obtained (0.312).

Table 2. Validity Test Results

No	R Calculate
Brand Image Test Results (X1)	
1.	0.663
2.	0.658
3.	0.686
4.	0.665
5.	0.816
Brand Trust Test Results (X2)	
6.	0.687
7.	0.664
8.	0.720
9.	0.583
10.	0.567
Loyalty Program Test Results (X3)	
11.	0.814
12.	0.777
13.	0.789
14.	0.817
15.	0.762
Purchase Intention Test Results (Y)	
16.	0.673
17.	0.742
18.	0.782
19.	0.836
20	0.742

Source: Data test

Referring to the validity test results mentioned, there are 3 dependent variables and 1 independent variable, so there are a total of four variables. Each variable has 5 statements, For each statement in the variables above, the calculated R value exceeds the R table value, and the results are significant (0.001). Data collected in this study are valid.

Reliability

The definition of reliability testing according to Ghozali is a tool to measure whether the questionnaire used to collect research variable data is reliable or not.

Table 3. Reliability Test Results

Variable	Cronbach's alpha
Purchase Intention	0.740
Brand Image	0.648
Brand trust	0.850
Loyalty program	0.812

Source: Data test

Referring to the results of the table mentioned above, it can be concluded that the value exceeds 0.60 and is reliable.

3. Results and Discussion

In this study, the data obtained from Indosat (IM3) provider users in Ngronggot District were 40 respondents. After the questionnaire was distributed, it was obtained. Based on the gender of the male respondents, there were 18 people while the female respondents were 22 people, if presented, male 45% female 55% and based on the age of the respondents, the age of 12-25 years was 26 people, 25 - 45 years was 13 people and 45 years and above was 1 person, seen from the age that Indosat (IM3) users are in great demand by the age range of 12-25 years with a percentage of 65%, where this age is currently studying so that they really need an internet data package to support learning activities, usually a student tends to choose a provider that has a good network with a relatively cheap price and lots of promo offers. Even so, the age range of 26th - 50th also uses this provider with a percentage of 32.5% including productive age where respondents have worked and also need internet data packages to support work needs. While the age range above 50th is only 1 person with a percentage of 2.5% of the age where internet dependence is not present.

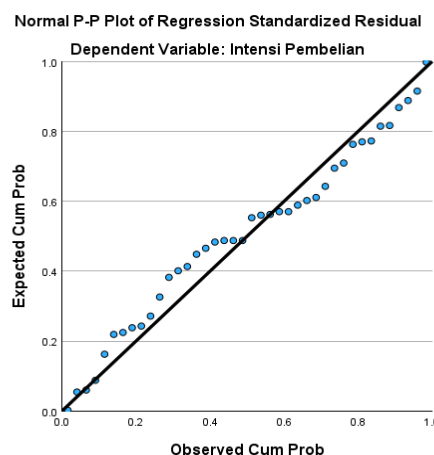**Classical assumption test**

Normality Test

Figure 1. Probability Plot

Source: Data test

In the normality test above using the probability plot method according to the image above, the data follows a normal distribution.

Table 5. Kolmogorov-Smirnov Test

		U Residual
N		40
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	1.25585535
Most Extreme Differences	Absolute	.103
	Positive	.085
	Negative	-.103
Test Statistic		.103
Asymp. Sig. (2-tailed)[c]		.200[d]

Source: Data test

Also supported by the Kolmogorov Smirnov method with a value of (0.200) the residual value is normally distributed.

Heteroscedasticity Test

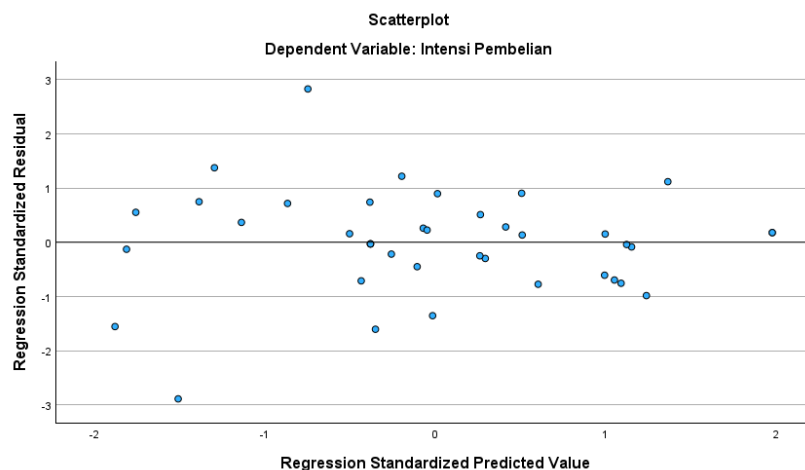Heteroscedasticity test to test whether the regression experiences equality of variable variance.

Figure 2. Scatterplots

Source: Data test

The results of the graphical analysis above do not show a clear pattern between the numbers 0 on the Y axis. The data or research does not experience heteroscedasticity.

Multicollinearity Test

The explanation of multicollinearity according to Ghozali is to check or measure the regression.

Table 7. Multicollinearity Test Results

Coefficients^a

Model	T	Sig.	Tolerance	VIF
(Constant)	1.168	.250		
Brand Image	2.116	.041	.680	1.470
Brand Trust	8.823	<.001	.616	1.623
Loyalty Program	-3.785	<.001	.483	2.072

Source: Data test

The results of the Multicollinearity analysis above obtained a tolerance value of > 0.100 and a VIF value of > 0.100. So it can be concluded that there is no multicollinearity in this research data.

Multiple Linear Regression Test

Multiple regression analysis is a method for testing whether or not there is an influence of independent variables on dependent variables.

With Formula $Y = a + b_1X_1 + b_2X_2 + ... + b_nX_n$

Table 8. Multiple Linier Regression Test Results

Coefficients^a

Model		B	Std. Error	Beta
1	(Constant)	2.836	2.428	
	Brand Image	.246	.116	.227
	Brand Trust	1.041	.118	.994
	Loyalty Program	-.427	.113	-.482

a. Dependent Variable: Purchase Intention

Source: Data test

The equation obtained is as follows in the table above:

$Y = 2.836 + 0.246X1 + 1.041X2 – 0.427X3$

1. The constant 2.836 shows that if brand image, brand trust and loyalty program have a value of 0 then the value of Y (purchase intention) is 2.836.
2. The brand image variable has a positive regression value with b = 0.246. If the brand image increases by 1 point, there will be an increase in purchase interest of 0.246.
3. The brand trust variable has a positive regression value with b = 1.041. If the brand image increases by 1 point, there will be an increase in purchase interest of 1.041.
4. The loyalty program variable has a negative regression value with b = -0.427. If the brand image increases by 1 point, there will be a decrease in purchase interest of -0.427.

Coefficient of Determination Test

Table 9. Determination Test Result

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.848ª	.718	.695	1.307

a. Predictors: Loyalty Program, Brand Image, Brand Trust

Source: Data test

In the table above, it is obtained that the variable ratio of the number of purchase intentions (Y) which can be translated into brand image (X1), brand trust (X2) and loyalty program (X3) variables is 69.5%, close to 1, so shows that the role of the purchase intention on the brand image, brand trust and loyalty program is simultaneously getting stronger.

Hypothesis Test

T Test

H1 = alleged brand image has a positive and significant influence on purchase intentions for Indosat (IM3) products in Ngronggot District, Nganjuk Regency.

H2 = alleged b rand trust has a positive and significant influe nce on purchase intentions for Indosat (IM3) products in Ngronggot District, Nganjuk Regency.

H3 = It is suspected that the loyalty program has a positive and significant influence on the intensity of purchasing Indosat (IM3) products in Ngronggot District, Nganjuk Regency.

Tabel 10. T Test Results

Coefficientsª

Model		T	Sig.
1	(Constant)	1.168	.250
	Brand Image	2.116	.041
	Brand Trust	8.823	<.001
	Loyalty Program	-3.785	<.001

a. Dependent Variable: Purchase Intention

Source: Data test

1. Referring to the table results that have been mentioned, The computed t value (2.116) > t table (2.024) and sig (0.041) < 0.05. Thus, hypothesis 1 is accepted.
2. Referring to the table results that have been mentioned, The computed t value (8.823) > t table (2.024) and sig (0.001) < 0.05. Thus, hypothesis 2 is accepted.

F Test

Referring to the table results that have been mentioned, The computed t value (3.785) > t table (2.024) and sig (0.001) < 0.05. Thus, hypothesis 3 is accepted.

H4 = The assumption of independent variables, namely brand image, brand trust and loyalty programs, has a positive and significant effect on the dependent variable of purchasing interest in Indosat products (IM3) in Ngronggot District, Nganjuk Regency.

Table 11. F Test Results

ANOVAª

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	156.890	3	52.297	30.608	<.001ᵇ
	Residual	61.510	36	1.709		
	Total	218.400	39			

Source: Data test

Based on the results of the table above, the calculated F value exceeds the F value of the table and the significance value is less than 0,05. It is concluded that there is a positive and significant influence of the brand image variable (X1), brand trust (X2), and loyalty programs (X3) simultaneously on purchase interest (Y). Thus, H4 is accepted and H0 is rejected.

Discusion

From this study, it was found that brand image, brand trust, and loyalty programs are marketing strategies that can influence consumer purchase intentions. A positive brand image creates a good experience in the minds of consumers about the product, which ultimately increases the desire to make repeat purchases. Meanwhile, brand trust in a brand is formed from positive consumer experiences with the brand. In addition, loyalty programs also play a major role as additional incentives that encourage consumers to remain loyal and make purchases. When these three variables work together and are structured, the purchase intention becomes stronger and more significant. The results of this study indicate that brand image, brand trust and loyalty programs have a positive and significant effect on the purchase intention of Indosat (IM3) products in Ngronggot District. Consumers tend to choose to buy products that are already known and have a good image, consumers will make purchases again because they feel they trust and can be relied on the brand, besides that the program can motivate them to make repeat purchases and form sustainable consumption habits and can provide additional benefits. Also supported by previous research showed that brand image, brand trust and loyalty programs have a positive and significant effect on purchase intentions [7],[10].

4. Conclusion

This study aims to test the influence of loyalty programs, brand trust and brand image on purchase interest of Indosat (IM3) products. Based on the data analysis conducted, it was found

that brand image, brand trust and loyalty programs have a positive and significant effect on purchase interest of Indosat (IM3) products. In addition, brand image, brand trust and loyalty programs collectively have a positive and significant effect on purchase interest.

This research is expected to enhance academic knowledge in marketing science, particularly regarding purchasing behavior for products in the telecommunications industry. The research results can provide empirical support for theories related to brand image, brand trust and loyalty programs. The practical benefit is that this research can be used by parties related to Indosat Ooredoo (IM3) as consideration in formulating marketing strategies, designing more attractive and relevant loyalty programs, as well as understanding customer needs and expectations better and encouraging sustainable purchases. The novelty of this research refers to ideas that have never been researched in the Ngronggot sub-district area and also a deeper understanding of the repeat purchase phenomenon by introducing a new variable, namely the loyalty program.

This research certainly has limitations in terms of population and data processing. Researchers also realized that the small sample size meant that the research results covered a small part of the Ngronggot District area. In future research, it is hoped that the population scale taken will be larger, so that the findings obtained can cover the area broadly and in depth.

References

[1]   Hendriyani DAG. Siaran Pers : FEKDI x KKI 2024 Jadi Momentum Perkuat Ekosistem Ekonomi Digital di Indonesia. KemenparekrafGoId 2024. https://kemenparekraf.go.id/berita/siaran-pers-fekdi-x-kki-2024-jadi-momentum-perkuat-ekosistem-ekonomi-digital-di-indonesia (accessed November 14, 2024).

[2]   Eko. Indosat Catat Pelanggan di Jatim Capai 15,1 Juta hingga September 2024. SuryakabarCom 2024. https://suryakabar.com/2024/10/31/indosat-catat-pelanggan-di-jatim-capai-151-juta-hingga-september-2024/ (accessed November 14, 2024).

[3]   Budiono GA, Slamet F. Pengaruh EWOM, Kesadaran Merek, Citra Merek terhadap Intensi Pembelian Konsumen Produk Perawatan Kulit di Jakarta. J Manajerial Dan Kewirausahaan 2022;4:997–1007. https://doi.org/10.24912/jmk.v4i4.20563.

[4]   Ferrinadewi E. Pengaruh Threat Emotion Konsumen Dan Brand Trust Pada Keputusan Pembelian Produk Susu Anlene Di Surabaya. Peer-Reviewed Sci e-Journal 2008;1:23–34.

[5]   Rizan M, Saidani B, Sari Y. Pengaruh Brand Image dan Brand Trust terhadap Brand Loyalty Innisfree 2012;3:328–39.

[6]   Wijaya BS. Europen journal of business and management. Eur J Bus Manag 2013;5:2222–1905. https://doi.org/10.13140/ejbm.2013.55.65.

[7]   Edward E, Ruslim TS. Pengaruh Perceived Quality, Brand Image, Brand Trust Terhadap Puchase Intention Produk Milo. J Manajerial Dan Kewirausahaan 2021;3:669.

https://doi.org/10.24912/jmk.v3i3.13151.

[8] Munuera-alema L, Delgado-ballester E. Does brand trust matter to brand equity? 2005;3:187–96. https://doi.org/10.1108/10610420510601058.

[9] Yi YE, Hoseong J. Effects of loyalty on value perception and brand loyalty. Acad Mark Sci 2003;31:229. https://doi.org/10.1177/0092070303253082.

[10] Asmarasari TD, Dewimuftian R, Diyanto T, Sakti DW. Pengaruh Digital Loyalty Program Terhadap Kepuasan Dan Loyalitas Pelanggan Studi Kasus Tokopedia. J Pemasar Kompetitif 2020;4:19. https://doi.org/10.32493/jpkpk.v4i1.5459.