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The effect of rebranding on brand image and its impact on customer loyalty on Gojek

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ABSTRACT

This study aims to determine the effect of Rebranding on brand image and customer loyalty to Gojek. The data used are primary data from questionnaires distributed to 214 UNSADA student respondents who used Gojek services in the past year. The sample was taken using a non-probability sampling technique, the sampling method used purposive sampling, and the sample size was determined using the quota sampling method. Furthermore, the analysis was carried out using Structural Equation Modeling (SEM) and testing by LISREL. 8.8. based on the research results, there is a positive effect of Rebranding on customer loyalty through the brand image on Gojek. This is indicated by each tvalue (t-values) which is 11.01 (rebranding to brand image), 5.20 (brand image to customer loyalty), 2.68 (rebranding to customer loyalty)> 1.96 (α = 5%). As well as the test results of the influence of the intervening variable through the Sobel test, the value of t > 1.96 (α = 5%) is 4.76. Based on these results, it can be said that brand image is a variable that has a positive influence or has a significant relationship.



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Introduction

The rapid development of internet technology has caused many creative and innovative businesses to emerge and information and communication technology development. One of the platforms created from the creativity of the nation's children is Gojek. Starting with delivery services, there are now more than 20 services on Gojek to solve daily problems. Since then, Gojek has developed three super features for customers, driver-partners, and trading partners. In (economy bisnis.com), Go-Jek in Indonesia is comparable to the world's largest application user in the US. This is supported by a survey conducted by the Alvara Research Center. The study found that Gojek's three features: transportation, food ordering, and digital payments, are the leading choices for Indonesian millennials.

Gojek experienced a revolution; on July 22, 2019, Gojek officially changed its logo (Rebranding) where from the previous "Ride Hailing Service" to "An Ecosystem of Three Super Apps". The presence of this new logo is thanks to Gojek's journey to becoming the leading technology platform in Southeast Asia (Dadang Hendra Winata, 2019). This new logo represents the main reason for Gojek's presence, namely to solve problems through technology. Gojek also has a new tagline, "There Is Always Away". Based on (Hidayati & Fatimah, 2017), Rebranding is carried out using different methods and routes from one company to another, but with the same goal: to change or improve the company's image and increase market share to gain profits. Gojek's old logo can no longer accommodate all the services offered, and the company's dynamics continue to spread everywhere. Gojek is Rebranding not because of competition but because Gojek continues to lose in the market, instead of developing logos and slogans to accommodate all variations of services and business dynamics.

The existence of this Rebranding will affect the brand image that has been built and recorded in the minds of the public. The brand image represents the whole brand and is formed based on information about the brand and past experiences (Kumowal et al., 2016). According to Sangadji and Sopiah (2013:256), brand image is the perception and belief of consumers and is reflected in the relevance that arises in the minds of consumers. The brand image becomes an essential value for consumers to purchase and impacts customer loyalty (Melias Oliviana, Lisbeth Mananeke, 2017). In addition, Gojek's Rebranding will impact customer loyalty and create a new perception of the brand image that has been built. Information obtained from genpi.co said that customer loyalty is the key to Gojek's long-term growth (Yunaida, 2017).

However, since December 2019, the number of active users of online transportation has decreased. From early January to late February 2020, the level of online delivery activity is likely to remain unchanged. After rebranding for approximately ten months, it turns out that Gojek users in the second week of March decreased by 14%. In February, Gojek users counted 3.3 million but in March, only 2.5 million users. The decline in users has a negative impact on Gojek, data reported by the Statqo Analytics, Marketing and Creative Content agency Statqo Adzkia Arif (Abdullah, 2018). Based on the data obtained above, it can be seen that Gojek users experienced a significant decrease after Rebranding. Even though Gojek has a goal after the Rebranding, it can get more loyal users by using the available services but experiencing a decrease compared to before the Rebranding.

Method

This study uses associative quantitative research methods (Sugiyono, 2019). The data used are primary data from questionnaires distributed to 214 UNSADA student respondents who have used Gojek services in the last one year. The sample was taken using a non-probability sampling technique, the sampling method used purposive sampling, and the sample size was determined using the quota sampling method. Furthermore, the analysis was carried out using Structural Equation Modeling (SEM) and testing by LISREL. 8.8.

Result and Discussion

Validity and Reliability Test

Confirmatory Factor Analysis (CFA) Rebranding Variables

The results of the validity test on the Rebranding variable can be seen in the figure 1.

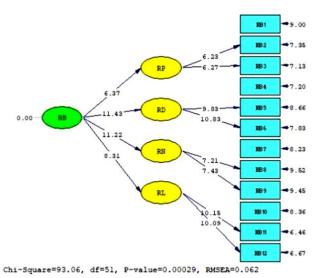
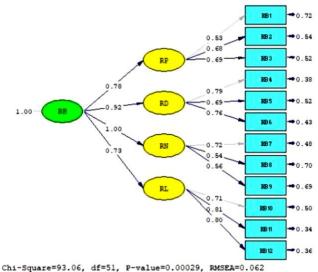


Figure 1. Rebranding (t-value) Source: Data processing (2020)

Figure 1. shows that the statement on the rebranding variable has a factor loading value of 1.96 (α =5%). This indicates that the validity test on the rebranding variable has been fulfilled. Meanwhile, to measure reliability, the results of the calculation of the rebranding reliability variable are obtained as follows table 1. Table 1 shows

that the CR value is 0.97 and the VE is 0.91. From this value, it can be said that the rebranding variable has fulfilled the validity and reliability tests.



Square-95.06, ur-51, r-value-0.00029, Nuber-0.062

Figure 2. Rebranding (Standard Solution) Source: Data processing (2020)

Table 1. Rebranding Variable Reliability

Variabel	Dimensi Std. Lo	oading	Error	Std Lo	oading2	CR	VE	
Rebranding	Repositioning	0,78		0,054	0,60		0,97	0,91
	Redesign	0,92		0,057	0,84			
	Renaming	1,00		0,0010	1			
	Relaunch	0,73		0,17	0,53			
Total			3,43		0,282	2,97		

Source: Data processing (2020)

Confirmatory Factor Analysis (CFA) Brand Image Variable

The results of the validity test on the brand image variable can be seen as follows:

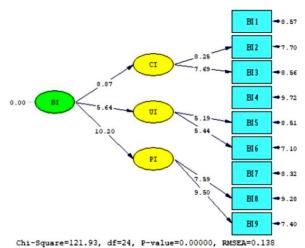
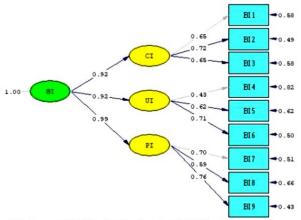


Figure 3. Brand Image (t-value)

Source: Data processing (2020)

Figure 3. shows that the statement on the brand image variable has a factor loading value of 1.96 (α =5%). This indicates that the validity test on the rebranding variable has been fulfilled. Meanwhile, to measure reliability, the results of the calculation of the reliability of the brand image variable are obtained as follows table 2. Table 2 shows that the CR value is 0.99 and the VE is 0.97. From this value, it can be said that the brand image variable has met the validity and reliability tests.



Chi-Square=121.93, df=24, P-value=0.00000, RMSEA=0.138

Figure 4. Brand Image (Standard Solution) Source: Data processing (2020)

Table 2. Brand Image Variable Reliability

Variabel	Dimensi	Std. Loading	Error	Std Loadin	ıg2	CR	VE	
Brand Image	Corporate Image	0,92	0,037	0,84 0,	,99	0,97		
	User Image	0,92		0,028	0,84			
	Product Image	0,99		0,0057	0,98			
Total		2,83		0,0707	2,66			

Source: Data processing (2020)

Confirmatory Factor Analysis (CFA) Customer Loyalty Variable

The results of the validity test on the customer loyalty variable can be seen in the image below:

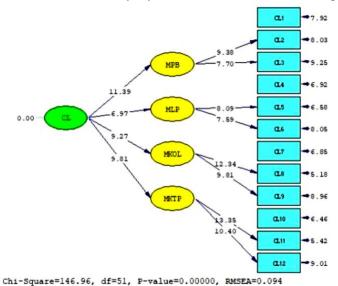


Figure 5. Customer Loyalty (t-value)

Source: Data processing (2020)

Figure 5 shows that the customer loyalty variable statement has a factor loading value of 1.96 (α = 5%). This indicates that the validity test on the rebranding variable has been fulfilled. Meanwhile, to measure reliability, the results of the calculation of the reliability variable of customer loyalty are obtained as follows table 3. Table 3 shows that the value of CR is 0.92 and VE is 0.76. From this value, it can be said that the validity test and reliability test have been fulfilled on the customer loyalty variable.

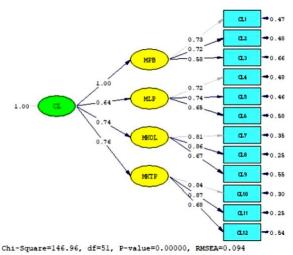


Figure 6. Customer Loyalty (Standard Solution)
Source: Data processing (2020)

Table 3. Customer Loyalty Reliability Variable

Variable	Dimension	Std. Loading	Error	Std Loading2	CR	VE
Customer Loyalty	Repurchase	1,00	0,0010	1	0,92	0,76
	Buying Between Product Lines	0,64	0,20	0,40		
	Referring to Others	0,74	0,18	0,54		
	Menunjukan Kekebalan Terhadap Tarikan dari Pesaing	0,76	0,39	0,57	_	
Total		3,14	0,771	2,51	_	

Source: Data processing (2020)

Structural Analysis

Overall Model Fit Test

After passing the CFA (Confirmatory Factor Analysis) with validity and reliability checks, the total structural model is to prove the validity of the total model against the criteria. The results of the analysis on the overall fittest of the model can be locked as follows:

Table 4. Overall Model Fit Test Results

Measures of Goodness of I	Fit Criteria for Matching	the Result of Model Estimation
	Absolute Fit Size	
GFI	\geq 0,90	0,90 (good fit)
RMSEA	0.05 - 0.08	0,11 (marginal fit)
RMR	≤0,05	0,30 (marginal fit)
Incremental Fit Size		. , , , ,
NFI	≥0,90	0,97 (good fit)
AGFI	≥0,90	0,83 (marginal fit)
RFI	≥0,90	0,95 (good fit)
CFI	≥0,90	0,97 (good fit)
IFI	≥0,90	0,97 (good fit)
Parsimony Fit Size		
CAIC	< CAIC Saturated dan Independence Model	308,55 (good fit)
ECVI	< ECVI Saturated dan Independence Model	0,87 (good fit)
PGFI	>0,60	0,52 (marginal fit)

Source: Data processing (2020)

Relationship and Influence Analysis

The t-values and estimates can be found as follows:

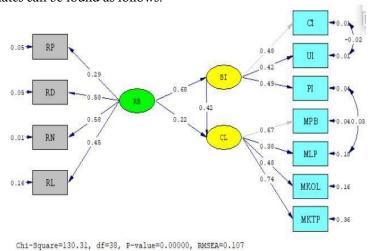


Figure 7 Structural Model (Approximate)

Source: Data processing (2020)

The Model Estimation image shows a complete diagram of the model path with the numbers resulting from the non-standardized estimates.

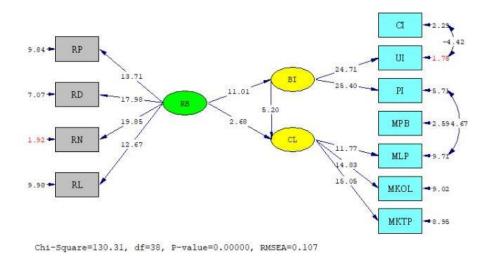


Figure 8. Structural Model (t-value) Source: Data processing (2020)

The value of t (number in red) < 1.96 (α = 5%) indicates the insignificant number of estimates or equal to zero. The resulting structural model equations are:

```
BI = 0.67* RB, Errorvar. = 0.55 , R2 = 0.45
(0.064) (0.063)
10.43 8.67
CL = 0.41*BI + 0.23*RB , Errorvar , = 0.65 , R2 = 0.35
(0.082) (0.082) (0.077)
5.03 2.75 8.48
```

Evaluation of this structural model are:

t value of parameter or coefficient

Rebranding has a positive influence on the brand image as seen from the t-values > 1.96 (α = 5%), which is 11.01. In addition, brand image and Rebranding both positively affect customer loyalty. The t-value for the brand image on customer loyalty is 5.20, while for Rebranding it is 2.68.

Parameter or coefficient value

Table 5. Evaluation of Structural Model Coefficients and Their Relationship with Research Hypotheses

Hypothesis	Path	Estimation	t-values	Conslusion
1	$RB \rightarrow BI$	0,68	11,01	Significant
2	$BI \rightarrow CL$	0,42	5,20	Significant
3	$RB \rightarrow CL$	0,22	2,68	Significant

Source: processed data (2020)

In addition, testing is also conducted on the effect of rebranding on customer loyalty through brand image, namely by knowing in advance the results of testing the effect of rebranding on brand image and brand image on customer loyalty (Wulandari & Oktafani, 2017). Testing the influence of the intervention variable is carried out using the Sobel formula with the following formula:

$$Sab = \sqrt{b_2 \text{ sa}_2 + \text{a}_2 \text{ sb}_2 + \text{sa}_2 \text{ sb}_2}$$

```
Source: Gozali in Hidayah (2019)
a = 0.68 Sa = 0.061 b = 0.42 Sb = 0.080
         Sab = \sqrt{(0,42)2(0,061)2 + (0,68)2(0,080)2 + (0,061)2(0,080)2}
              =\sqrt{0.0036395588}
              = 0.060
```

Dengan demikian nilai t diperoleh sebagai berikut :

$$t = \frac{ab}{Sab} = \frac{0,2856}{0,060} = 4,76$$

The t-value (4.76) > 1.96 ($\alpha = 5\%$) means that Rebranding has a significant influence or relationship on customer loyalty through brand image. So it can be said from the discussion above that there is a positive effect of rebranding on customer loyalty through brand image on Gojek. This is indicated by each t-value (t-values), namely 11.01 (rebranding on brand image), 5.20 (brand image on customer loyalty), and 2.68 (rebranding on customer loyalty) > 1.96 (= 5%). As well as the results of the test of the influence of the intervening variable through the Sobel test, the value of t > 1.96 (= 5%) was 4.76.

Conclusion

The rapid development of internet technology has caused many creative and innovative businesses to emerge, as well as the development of information and communication technology. Rebranding is carried out using different methods and routes from one company to another, but with the same goal, namely to change or improve the company's image and increase market share for profit. The existence of this rebranding will affect the brand image that has been built and recorded in the minds of the public. A brand image represents the whole brand and is formed based on information about the brand and past experiences. Based on the discussion of what can be done and what can be done, rebranding has a positive effect or a significant relationship on brand image. This has a positive impact on customer loyalty either directly or indirectly.

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