

**THE INFLUENCE OF BRAND AMBASSADOR, CUSTOMER SATISFACTION,
AND BRAND TRUST ON CUSTOMER LOYALTY OF LUWAK WHITE KOFFIE
IN SURABAYA**



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Abstract

In Indonesia, packaged instant coffee plays a significant role in contemporary society. This has resulted in the emergence of new customs and trends within the beverage industry. Luwak White Koffie is evidence of the existence of white instant ground coffee, a new coffee variety in Indonesia. The objective of this study is to examine the impact of customer satisfaction, brand trust, and brand ambassadors on Luwak White Koffie's customer loyalty in Surabaya. The study's population consisted of individuals residing in Surabaya. A total of 91 respondents from the Surabaya City region who had purchased and consumed Luwak White Koffie products constituted the sample. The study methodology employed is quantitative, and sampling strategies include both purposive and non-probability sampling. The Smart-PLS test instrument is used in this study. The findings of the study demonstrate that Brand Ambassadors significantly and favorably impact Customer Loyalty. Furthermore, Customer Loyalty is positively and significantly impacted by Customer Satisfaction, and the same case with Customer Loyalty towards Brand Trust.

Keywords: Brand Ambassador, Customer Satisfaction, Brand Trust, Customer Loyalty

INTRODUCTION

Coffee consumption is shifting to packaged instant coffee because of the practicality of modern lifestyles. This opens up opportunities for local coffee producers to contribute to the Indonesian coffee industry, however, the increase in coffee bean prices has encouraged an increase in the production of packaged instant coffee. If Luwak White Koffie wants to maintain its position as a market leader, the company must immediately choose the right strategy to increase Customer Loyalty. One strategy that can be used is to use a popular Brand Ambassador. A Brand Ambassador is someone who can influence or invite customers to buy or use a product (Lestari et al., 2021). However, Customer Loyalty cannot only be achieved by using a Brand Ambassador. Customer Satisfaction is also a very important factor in this case. According to Kottler and Armstrong (2022), Customer Satisfaction is the extent to which the performance provided by a product or service is equivalent to their expectations as customers. If Customer Satisfaction for Luwak White Koffie products increases, they will believe that the brand can meet their Brand Trust needs is an important part of efforts to increase Customer Loyalty. Hendrayanti and Terini (2021) say that a customer's ability to have strong trust in a brand because they feel there are expectations provided by a product by using the product even though faced with other choices, is what is referred to as brand trust.

The widespread use of Brand Ambassadors has resulted in local products competing to choose artists to become advertising stars, often Korean artists. This happened due to the influence of the Korean Wave phenomenon. According to Maulida and Kamila (2021), the Korean Wave is a massive expansion where Korean culture and products enter various countries and are accepted by the countries themselves. Luwak White Koffie takes advantage of this phenomenon by showing advertisements featuring Korean celebrities such as actor Lee Min Ho and the girl band Busters. According to Sekar Dinny & Purwanto (2022), companies need a significant marketing strategy to compete, by targeting large markets such as K-Poppers who behave consumptive.

Luwak White Koffie is a pioneering company in the Indonesian instant white coffee market, having received the Top Brand Award from 2015 to 2024. Based on data from the Top Brand Index (TBI), Luwak White Koffie managed to rank first with a percentage of 60.80%. However, sales of Luwak White Koffie have decreased by an insignificant number

every year. In 2020 sales reached 74.6% then decreased to 73.7% in 2021. It doesn't stop there, the decline in Luwak White Koffie sales occurred again in 2022 with a percentage of 71.7% and fell to 67.6%. In 2023 the latest data shows that from 2023 to 2024, the sales percentage will again decrease to reach 60.8%. Concurrently, the ABC White Koffie brand is in second place, exhibiting a more consistent sales rate.

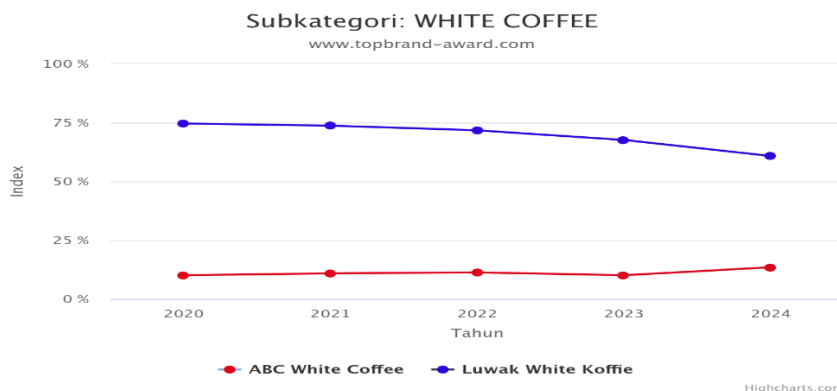


Figure 1
Comparison of Sales with Top Coffee
Source: www.topbrand-award.com

REVIEW OF LITERATURE

Brand Ambassadors

Brand Ambassadors are usually chosen from people who are well-known and have a big influence on society Fransisca (2023). Haque et al (2023) argue the use of Brand Ambassadors in marketing a product can provide a positive image between the celebrity and the product being offered. Indriningtiyas (2022) said that Brand Ambassadors are tasked with influencing customers by using celebrities as icons to represent and attract customers' interest in using them. According to Rossiter and Percy's (2021) theory, there are 4 indicators used to select Brand Ambassadors, namely: 1) Visibility (Popularity), 2) Credibility (trust), 3) Attraction (Attractiveness), 4) Power (Strength).

Customer Satisfaction

According to Kottler and Armstrong's (2021) theory, consumer satisfaction is defined as the range between the performance of a product or service which is directly proportional to customer expectations. Mahendra & Wardani (2022) believes that customer loyalty will arise if customers feel their satisfaction. True satisfaction will be achieved if the company can understand customer needs and desires, a harmonious relationship between the company

and consumers can occur as a result of consumer satisfaction according to Ramadhany & Supriyono (2022). Tjiptono's theory (2022) states that there are 2 indicators of Customer Satisfaction, namely: 1) Conformity to Expectations and 2) Ease of Obtaining.

Brand Trust

When consumers trust a product brand that they are familiar with, they become loyal to that product Firdaus and Yamini (2023). According to Griffin's (2022) theory, customer loyalty occurs when a customer purchases in a situation that requires them to make purchases consistently within a certain period. Hendrayanti and Terini (2021) state that trust in a brand is the consumer's ability to trust the brand with all the consequences that will arise, they feel that there is hope that will be given from the product, and if consumers believe in it then they will continue to buy that brand. According to Delgado's (2022) theory, brand trust can be divided into two indicators, namely: 1) Brand Reliability and 2) Brand Intentions.

Customer Loyalty

Customer Loyalty is a customer who stays with a service or product company and re-buys consistently, according to (Nurhidayah & Pangestuti, 2021). Customer loyalty is the main goal of a company (Mahendra & Wardani, 2022) From the definition presented by Gramer and Brown (2023), A loyal client is not merely a purchaser who makes repeated purchases; rather, it is a customer who exhibits a positive attitude toward the company. The company's survival and competitiveness are supported by consumer loyalty Ramadhany & Supriyono (2022). According to Kartajaya's theory (2023), customer loyalty characteristics can be based on buyer behavior, including: 1) Repeat Purchases, 2) Purchases across Product Lines, 3) Referrals, 4) Retention.

Brand Ambassador for Customer Loyalty

Consumers are more interested in advertisements that use Brand Ambassadors compared to advertisements that do not feature public figures (Harwati et al., 2024). Brand Ambassadors who consistently express positive messages about the brand and show emotional attachment to the product or service being promoted will improve the brand image in the eyes of customers. Following the findings of the research conducted by (Nalita et al, 2022), the relationship between brand ambassadors and client loyalty is found to be positively and significantly correlated. It states that the more famous an artist is chosen as a Brand Ambassador, the higher the customer loyalty will be as loyal fans of that artist.

H1: It is believed that Luwak White Koffie Customer Loyalty is positively impacted by Brand Ambassadors.

Customer Satisfaction on Customer Loyalty

Loyalty among customers develops organically when their experience is positive. The findings of Ramadhany and Supriyono's research from 2022 indicate that customer satisfaction has a positive impact on customer loyalty. According to Hafidz and Muslimah (2023), customer satisfaction is achieved because consumers feel high-quality service with a good brand image, thus creating trust that will bring loyalty. It can be reasonably inferred that a customer's loyalty will increase in direct proportion to their level of satisfaction with the product and service received.

H2: It is believed that Luwak White Koffie's customer loyalty is positively impacted by Customer Satisfaction.

Brand Trust towards Customer Loyalty

Brand trust is a key factor in fostering customer loyalty, as it relates to a customer's confidence and faith in a brand. When consumer trust in a brand is in line with expectations, a sense of trust in a brand will emerge. The findings of this study are consistent with those of previous research conducted by (Febriani et al., 2022), which shows that Brand Trust has a big influence in increasing customer loyalty. This represents the foundation of Customer Loyalty, which is the expectation that customers will continue to purchase from a given company even in the face of intense competition.

H3: It is believed that Luwak White Koffie's Customer Loyalty is positively impacted by Brand Trust.

RESEARCH METHOD

This research used a method which is quantitative to design with both primary and secondary data. By disseminating surveys via Google Forms to 91 respondents in the city of Surabaya, primary data was gathered directly from each respondent. Secondary data was gathered in the meantime through a literature review, which involved gathering data from a variety of sources related to the research issue, including sales records, online survey results, and earlier research journals. Purposive sampling combined with a non-probability sampling strategy was employed to use the sample. Validity, reliability, and hypothesis testing are all

included in the Partial Least Square (PLS) test instrument, which is the analytical technique utilized.

RESULTS AND DISCUSSION

Outer Model

The exogenous variables with reflected indicators—namely, Brand Ambassador (X1), Customer Satisfaction (X2), Brand Trust (X3), and the endogenous variable Customer Loyalty (Y)—are employed in the measurement paradigm in this research. By analyzing the factor loading value's magnitude, the outer loading table's output is used to determine the validity of indicators. Factor loading describes how an indicator and a variable are related. An indicator can be considered valid and a measure of the variable, if the outcome is greater than 0.5 and/or the p-value, is equivalent to significant.

Table 1
Outer Loadings

	Customer Loyalty (Y)	Brand Trust (X3)	Customer Satisfaction (X2)	Brand Ambassador (X1)
X1.1	0,732			
X1.2	0,784			
X1.3	0,830			
X1.4	0,547			
X2.1				0,875
X2.2				0,790
X2.3				0,881
X3.1		0,883		
X3.2		0,800		
Y1.1			0,791	
Y1.2			0,668	
Y1.3			0,775	
Y1.4			0,757	

Source: Data Processing Results

The loading factors, as indicated by the outer loading table above, demonstrate convergent validity for the Brand Ambassador (X) variable. For instance, X.1 = 0.732; X.2 = 0.784; X.3 = 0.830. All of the indicators in the research variables—Brand Ambassador, Customer Satisfaction, Brand Trust, and Customer Loyalty—had loading factors greater than 0.5, as indicated by the analysis results in the above table. This indicates that the indicators have satisfied the cross-loading table's criteria for convergent validity. A factor loading is considered valid if each indicator's factor loading value for a given variable is greater than

its factor loading for all other variables. On the other hand, a factor loading value is considered invalid if it is less than the other variable's factor loading value of the indications.

Table 2
Cross Loadings

	Customer Loyalty (Y)	Brand Trust (X3)	Customer Satisfaction (X2)	Brand Ambassador (X1)
X1.1	0,369	0,319	0,388	0,732
X1.2	0,349	0,422	0,589	0,784
X1.3	0,433	0,466	0,474	0,830
X1.4	0,275	0,377	0,226	0,547
X2.1	0,282	0,544	0,875	0,522
X2.2	0,148	0,432	0,790	0,380
X2.3	0,314	0,583	0,881	0,544
X3.1	0,600	0,883	0,544	0,491
X3.2	0,468	0,800	0,511	0,417
Y1.1	0,791	0,517	0,311	0,396
Y1.2	0,668	0,348	0,098	0,306
Y1.3	0,775	0,568	0,313	0,486
Y1.4	0,757	0,448	0,168	0,253

Source: Results of data processing

As evidenced by the preceding cross-loadings table, the discriminant validity test reveals that the results show that the cross-loadings value of each item in each latent variable formed (shaded in blue) has the highest value when compared with the cross-loadings value on other latent variables. Thus, all question items can be declared valid.

Average Variance Extracted

Table 3
Average Variance Extracted

	Average Variance Extracted (AVE)
Customer Loyalty (Y)	0,535
Brand Trust (X3)	0,710
Customer Satisfaction (X2)	0,561
Brand Ambassador (X1)	0,722

Source: Results of data processing

The following measurement model is the Average Variance Extracted (AVE) value, which shows how much of the indicator variance the hidden variable retains. A convergent AVE value larger than 0.5 indicates good validity for the latent or hidden variable. The AVE value for each construct (variable) shows the reflected indicator variable. If each construct has an AVE value greater than 0.5, a good model is needed. The results of the tests indicate that the variable constructs for Brand Ambassador, Customer Satisfaction, Brand Trust, and Customer Loyalty all have valid AVE values, that is, values greater than 0.5.

Composite Reliability

Table 4
Composite Reliability

	Composite Reliability
Customer Loyalty (Y)	0,818
Brand Trust (X3)	0,830
Customer Satisfaction (X2)	0,836
Brand Ambassador (X1)	0,886

Source: Results of data processing

The composite reliability rating indicates construct reliability. If the composite reliability value is above 0.70, it can be assumed that a hidden variable is consistently measured by the indicator. The test results indicate that the construct variables Customer Satisfaction, Brand Trust, Customer Loyalty, and Brand Ambassador are reliable, as their composite dependability value is above 0.7.

Latent Variable Correlations

Table 5
Latent Variable Correlations

	Customer Loyalty (Y)	Brand Trust (X3)	Customer Satisfaction (X2)	Brand Ambassador (X1)
Customer Loyalty (Y)	1,000	0,640	0,312	0,494
Brand Trust (X3)	0,640	1,000	0,625	0,542
Customer Satisfaction (X2)	0,312	0,625	1,000	0,585
Brand Ambassador (X1)	0,494	0,542	0,585	1,000

Source: Results of data processing

The average correlation value between the two variables is modest, as can be seen in the latent variable correlations table above. The Brand Trust (X3) and Customer Loyalty (Y) variables have the strongest connection, at 0.640. It can be stated that, out of all the variables in the research model, there is a significant correlation between the Brand Trust (X3) and Customer Loyalty (Y) variables, greater than that of the other factors' connection.

PLS Model Analysis

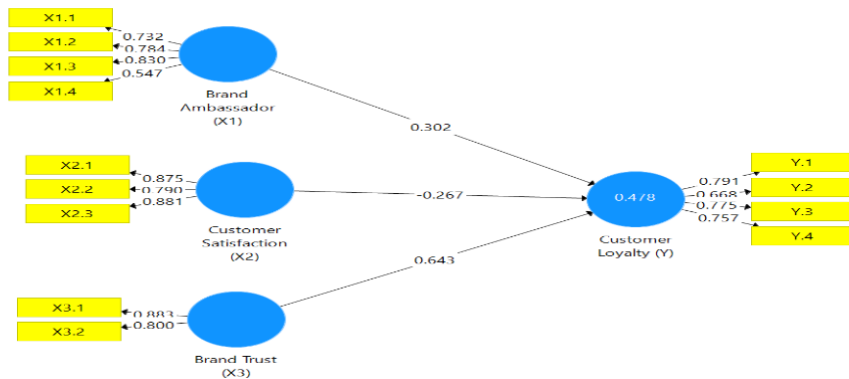


Figure 2
Outer Model with Factor Loading, Path Coefficient, and R-Square

Source: Results of data processing

In the above, the PLS output illustrates the magnitude of the path coefficients that exceed the arrow line connecting the exogenous and endogenous variables, as well as the magnitude of the factor loading values for each indicator situated above the arrow between the variables and indicators. Additionally, the size of the R-Square, which lies precisely within the endogenous variable's circle, is visible (Customer Loyalty variable).

Inner Model (Structural Model Testing)

Table 4
R-Square

	R Square
Customer Loyalty (Y)	0.478

Source: Results of data processing

The R² value of 0.478 indicates that the research model can explain 47.8% of the variability or change in purchase intention (dependent variable) influenced by the independent variables, namely Brand Ambassador, Customer Satisfaction, and Brand Trust. Meanwhile, the remaining 52.2% of the variability in purchase intention is explained by additional elements that this study did not consider (outside of Brand Ambassador, Customer Satisfaction, and Brand Trust).

Hypothesis Test

Table 5
Path Coefficients (Mean, STDEV, T-Values, P-Values)

	Path Coefficients (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Brand Ambassador (X1) -> Customer Loyalty (Y)	0,302	0,314	0,110	2,756	0,006
Customer Satisfaction(X2)-> Customer Loyalty (Y)	0,267	0,245	0,101	2,636	0,009
Brand Trust (X3) -> Customer Loyalty (Y)	0,643	0,633	0,099	2,636	0,009

Source: Results of data processing

The table above illustrates the hypothesis as follows:

1. Hypothesis 1: Brand Ambassadors positively impact customer loyalty, with path coefficients of 0.302 and T-statistic values of 2.756 < 1.96 (from the table value $Z\alpha = 0.05$) or P-values of 0.006 (smaller than 0.05), indicating a significant (positive) effect.
2. Hypothesis 2: It is believed that Customer Satisfaction has a positive effect on Customer Loyalty. The path coefficients of 0.267, and T-statistic values of 2.636 > 1.96 (from the table value $Z\alpha = 0.05$) or P-values of 0.009 (smaller of 0.05), indicate a significant positive effect.
3. Hypothesis 3: The results indicate that Brand Trust has a positive effect on Customer Loyalty. This is demonstrated by the path coefficients of 0.643 and T-statistic values of 2.636, which are greater than 1.96 (from the table value $Z\alpha = 0.05$) or P-values of 0.009, which are less than 0.05. This demonstrates a significant (positive) effect.

The Influence of Brand Ambassadors on Customer Loyalty

The findings of the research data analysis display that Brand Ambassadors exert a significant influence on Customer Loyalty for Luwak White Koffie products. To clarify, it means the greater the perceived benefit or positive impact that users derive from the presence of Brand Ambassadors, the higher their loyalty to Luwak White Koffie products. In the loading factor analysis on the Brand Ambassador variable, it was found that the indicator that had the greatest influence was Attraction.

The Influence of Customer Satisfaction on Customer Loyalty

The findings of the research data analysis demonstrate that customer satisfaction has a substantial impact on Customer Loyalty for Luwak White Koffie products. In other words, the more satisfied users are with the product, the stronger their commitment to Luwak White Koffie items. The loading factor analysis on the customer satisfaction measure revealed that the indicator with the greatest influence was Ease of Obtaining.

The Influence of Brand Trust on Customer Loyalty

The results of the analysis of the research data indicate that Brand Trust plays a significant role in customer loyalty for Luwak White Koffie products. This evidence demonstrates that the greater the level of trust among users in the Luwak White Koffie brand, the more loyal they are to the product. Based on the loading factor analysis of Brand Trust, the indicator that exerts the greatest influence is Brand Reliability.

CONCLUSION

The following conclusions can be made based on the results of the PLS analysis test that was conducted to evaluate the effect of Brand Ambassador, Customer Satisfaction, and Brand on Customer Loyalty of Luwak White Koffie items in Surabaya: first, Brand Ambassador has a large contribution to Customer Loyalty. It can be interpreted that attracting Brand Ambassadors who promote products can influence Customer Loyalty for Luwak White Koffie products. Secondly, Customer Satisfaction has a large contribution to Customer Loyalty. This shows that the higher the degree of happiness clients experience, the more influence it will have on Customer Loyalty for Luwak White Koffie products. The three Brand Trusts make a big contribution to Customer Loyalty for Luwak White Koffie products. This means that the greater the level of trust that customers have in this brand, it influences Customer Loyalty for Luwak White Koffie products.

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