

# The Impact of Corporate Image, Customer Loyalty, Customer Satisfaction and Affective Commitment in the Consumer Clothing Brand

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## Abstract

The spread of the corona virus, also known as COVID-19, has had a significant impact on the current situation of the economy, politics, services, and welfare. COVID-19 is spreading on a global basis, which means the virus is affecting people all over the world. Because of the pandemic, there is a lot of free time in the community, which allows people to enjoy more time by communicating on social media. A quantitative technique is used in this research. Quantitative research is a type of investigation that uses natural science approaches to generate numerical data and hard facts. Consumers and sellers of streetwear clothing in Indonesia are the focus of this study. The Partial Least Squares method is used in this research (PLS). SEM (Structural Equation Modeling) is one of the strategies now being utilized to compensate for the shortcomings of regression methods. All indications have been considered legitimate based on the study that has been done. Discriminant legitimacy test can be estimated utilizing cross stacking and its builds. The cross stacking basis is that every marker that actions a variable should have a higher connection than the others. that the markers utilized in the review have great discriminant legitimacy. In light of the consequences of information investigation, it is expressed that the four factors, have a more prominent AVE esteem so they have met the legitimacy necessities. From the external stacking test information, it shows that all markers are legitimate and appropriate for research and can be utilized for additional investigation

## Keywords

Corporate Image, Customer Loyalty, Customer Satisfaction, Consumer Behavior, Marketing.

## 1. Introduction

The current state of the economy, politics, services, and welfare has been greatly affected by the spread of the corona virus or what is known as COVID-19. The spread of COVID-19 has a global scale, which means that the whole world is affected by the virus. De vos (2020) states that large-scale lockdowns are in place around the world to prevent the spread of the virus. Indonesia is a country that is one of many countries with a large number of COVID-19 outbreaks, various methods have been carried out by the Indonesian government and directions from the United Nations, but it is possible that this virus will disappear, such as implementing PSBB. PSBB is a restriction on certain activities of residents in an area suspected of being infected with the corona virus to prevent the possibility of spreading further (kompas.com). at the beginning this virus began to spread and then locked down in various areas that contained red zones in the area, until finally carrying out PPKM levels 1-4 according to areas where the virus spread a lot or a little. PPKM is an abbreviation of Enforcement of Community Activity Restrictions. This PPKM is carried out to limit interactions, meetings between people and people and groups with groups, which is expected to reduce the transmission of COVID-19 (finance.detik.com). The effect of the efforts made by the government has resulted in several things, such as WFH (work from home), namely activities carried out generally in the office or school, being moved at home according to their respective rules, gathering time with one's family, doing shopping activities for daily needs and personal needs through online such as using a marketplace application for shopping for household needs and using social media for personal needs, namely buying clothes and pants. Tarhini et al. (2021) stated that shopping through online channels is actively developing because of the opportunity to save time and effort. With this pandemic, there is a lot of free time in the community so that it makes people enjoy more time by using social media to keep interacting.<sup>1</sup> but on the other hand, social media can be a place for people to do various kinds of business such as clothing brands because people are not allowed to go to crowded places during this pandemic. Then came the idea of all business actors to provide convenience and satisfaction for people in shopping for their products. Chiguvi

& Gurowo (2015) state that customer satisfaction has an influence on customer loyalty. What's more as indicated by Bank Indonesia (2020), the apparel sub-bunch is important for the retail or retail industry. Rather than the development of the retail business as a rule, which encountered a decay, the dress sub-bunch really encountered an increment in development, particularly in 2017, 2018 and 2019. The business development of clothing brands is currently increasing and growing rapidly, with this rapid development, many young people are competing to establish their own clothing brand businesses, which makes the competition more and more varied from various models and colors. With this, each existing clothing brand must have a different value and uniqueness so that it can be known more by the public and expand the existing market. Satisfied customers will have high loyalty, and these customers will increase repurchase intentions, so that it can affect the company's market share and return on investment (Bolton and Drew, 1991)

## **2. Literature Review**

### **Customer Satisfaction**

Fulfillment is an individual's sensation of joy or frustration that emerges in the wake of contrasting item execution assumptions and real execution, implying that assuming that presentation is underneath assumptions, the client won't be fulfilled. (Giao et al., 2020; To et al., 2020; Schirmer et al., 2018). Customer satisfaction is influenced by the quality of products and services provided by companies to their customers. For each company there will be contest with different organizations (Anwar & Qadir, 2017). Customer satisfaction will affect companies and products as well, because happier customers with product and service quality means more products and more profits (Copley, 2017; Akoi & Yesiltas, 2020). customer satisfaction is viewed as a vital mark of business execution (Khan et al, 2018; Ali & Anwar, 2021).

H1. Affective commitment has a positive effect on customer loyalty

### **Customer Loyalty**

As per Griffin (2010: 04) customer loyalty is supposed to be faithful or unfaithful if the client shows regular buying behavior or there are conditions that require the customer to buy at least twice in a certain time interval. Loyalty by customers means reliably choosing one company's goods or products over their competitors (Chambers, 2018). Customer loyalty can be characterized as a decent connection among shoppers and makers through long haul responsibility (Cheng et al., 2019; Khoa, 2020; Pandey et al., 2020; Schirmer et al., 2018; Wu et al., 2020). Ranade (2020) states that loyalty is a continuous customer trust in the company's services or products.

H2. Corporate image has a positive effect on customer loyalty

### **Corporate Image**

Corporate image is something abstract in a company related to the beliefs, ideas and impressions you get, whether you feel it directly, through your five senses or get information from the company (Zameer et al., 2018; Lieva et al. a ., 2016; Balmer et al., 2020). Company image can be as a positive reaction as help, investment, dynamic job and other positive activities and a negative reaction as dismissal, or other negative types of an organization (Sallam, 2016; Balmer et al., 2020). In addition, corporate image can also be measured through reputation, trust, growth potential, and security (Kim & Kim, 2019). Company image can be estimated dependent on three parts of the picture, in particular; organization, casualness, and ability (Chien and Chi, 2019).

H3. Corporate image has a positive effect on customer satisfaction

### **Affective Commitment**

Affective commitment is closely related to value conformity which causes employees to feel close to the organization and stay in the organization because of their wishes (Rumangkit, 2016). Individuals who have a high affective commitment to an organization tend to be more interested in being more active and involved in making work-related decisions (Saha & Kumar, 2018). Affective commitment functions as a driver of various competencies which in turn improves employee performance (Astuty & Udin, 2020). Nguyen and Tu (2020) prove that affective commitment greatly affects performance (Figure 1).

H4. Affective commitment has a critical beneficial outcome on the knowledge-sharing behavior of academic staff.

H5. customer satisfaction has a positive effect on customer loyalty

H6. Customer image has a positive effect on affective commitment which is mediated by customer satisfaction

H7. Corporate image has a positive effect on customer loyalty which is mediated by customer satisfaction

H8. customer satisfaction has a positive effect on customer loyalty which is mediated by affective commitment

**Figure 1** Research model.

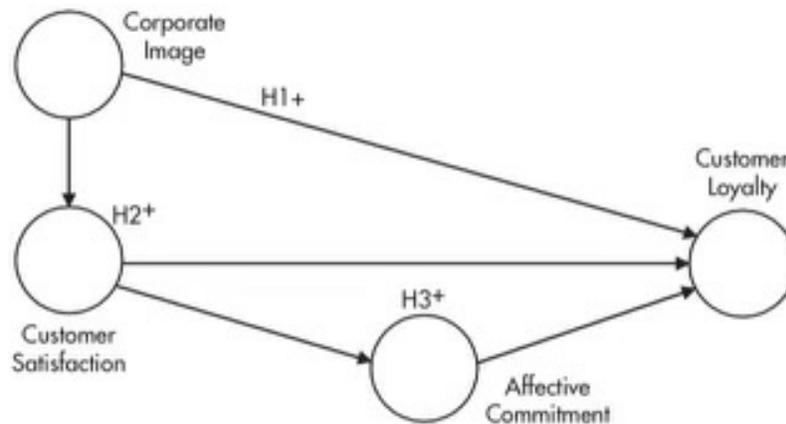


Figure 1. Research model.

### 3. Methodology

#### Research design

This review utilizes a quantitative methodology. Quantitative research is a form of research that relies on natural science methods, which produces numerical data and hard facts. As per Sugiyono (2016), this strategy is likewise called the quantitative technique on the grounds that the exploration information is as numbers, and the investigation utilizes insights. Quantitative studies often use statistical and statistical models for research, resulting in more objective analytical data. Quantitative data will provide measurements to confirm any problems or opportunities and understand them

#### Samples and data collection

This research leads to consumers, sellers of streetwear clothing purchases in Indonesia. All the data that has been collected uses a questionnaire method which is distributed through social media platforms such as (WhatsApp, Instagram, Twitter, and Line). The distribution of the questionnaires was carried out for approximately 2 weeks starting from (date-month) 2021 to (date-month) 2021. The data collected gave the results of 105 respondents (on the island).

#### Data analysis

This review utilizes Partial Least Square (PLS). Structural Equation Modeling (SEM) is one of the strategies as of now used to cover the shortcomings of the relapse techniques. And we use the Variance Based SEM approach or better known as Partial Least Squares (PLS). PLS utilizes the bootstrapping technique or irregular duplication. Hence the presumption of ordinariness won't be an issue for PLS. Aside from being connected with the ordinariness of the information, by doing bootstrapping, PLS doesn't need a base number of tests (Table 1).

Table 1. Profile criteria and percentage

profile	criteria	percentage
gender	male	51.40%
	female	48.60%
age	<18	3.80%
	18-25	95.20%
	25-30	0%
	>30	1%
occupation	student	95.20%
	employee	3.80%
	entrepreneur	0%
	freelance	1%
monthly outcomes	<Rp.1,500,000	47.60%
	IDR 2,000,000 - IDR 4,000,000	41.90%
	IDR 4,500,000 - IDR 6,000,000	7.60%
	>Rp.6.000.000	2.90%

Explain the reasons for the overview and the actual poll. Inside about fourteen days of distribution, there were 105 data. All of these data can be used because they meet the requirements in filling out the questionnaire.

#### 4. Result and Discussion

##### Evaluation of Measure Model

Validity test is a measure that can show that the measured variable is the variable that the researcher wants to examine<sup>2</sup> while according to<sup>3</sup> states that validity is utilized to quantify the legitimacy or legitimacy of a survey. To measure validity, it must test the relationship between variables, including: Discriminant legitimacy & Average variance extracted (AVE) with the expected AVE value > 0.5 (Andreas Wijaya, 2019:101) rule of thumb used in testing convergent validity is the value of outer load > 0.7, communality > 0.5<sup>4</sup>. Unwavering quality is a proportion of inward consistency in a develop indicator that shows a general latent construct<sup>5</sup>. The requirement that is usually used to measure construct reliability is that composite reliability must be greater than 0.7 for exploratory research. (Table 2).

Table 2. Reliability and Validity Test Results

Factors	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Affective commitment	0.910	0.944	0.848
Corporate image	0.880	0.926	0.807
customer loyalty	0.853	0.911	0.773
customer satisfaction	0.795	0.879	0.709

Source: SmartPLS data processed 2021

The output value of Cronbach's Alpha or Composite Reliability, with each still having to be greater than 0.7 as a condition for having good reliability. So it tends to be said that the four latent variables (affective commitment, corporate image, customers loyalty, and customer satisfaction) have CA and CR values of more than 0.7, so it can be said that the data is reliable and all factors have a significant degree of dependability. The table above also shows that the four variables, namely Affective commitment, Corporate image, Customers loyalty, and Customer satisfaction have an AVE value that is greater than the critical value of 0.5 so that it can be said to have met the validity requirements.

according to <sup>3</sup>states that the convergent validity is categorized as good if the outer loading indicator is > 0.7. However, if an external stacking esteem is found between 0.5-0.6, it is thought of as adequate to meet the requirements of convergent validity. If there are several indicators at the time of the validity test that do not match the criteria, such as having an outer loading value of less than 0.5 which means that it is not significant, then these indicators need to be eliminated.<sup>3</sup>. The following is an outer loading test. (Table 3)

Table 3. Outer Loading Test Results

Variable	Indicator	Outer Loading	Conclusion
Affective Commitment	AC1	0.912	Valid
	AC2	0.942	Valid
	AC3	0.908	Valid
Corporate Image	CI1	0.906	Valid
	CI2	0.914	Valid
	CI3	0.875	Valid
Customer Loyalty	CL1	0.863	Valid
	CL2	0.920	Valid
	CL3	0.854	Valid
Customer Satisfaction	CS1	0.868	Valid
	CS2	0.782	Valid
	CS3	0.873	Valid

Source: SmartPLS data processed 2021

In view of the table above, it very well may be shown that there is no outer loading indicator with a value of < 0.5. So it can be concluded that the indicator is declared valid for use in research furthermore can be utilized for additional investigation.

Discriminant validity test can be measured using cross loading and its construct. The cross loading criterion is that each indicator that measures a variable must have a higher correlation than the others. The following is the result of the cross loading factor using the SmartPLS software (Table 4).

Table 4. Discriminant Validity Test Results

Indicator	Affective commitment	Corporate image	customer loyalty	customer satisfaction
AC1	0.912	0.774	0.686	0.711
AC2	0.942	0.707	0.709	0.724
AC3	0.908	0.698	0.715	0.632
CI1	0.775	0.906	0.63	0.644
CI2	0.682	0.914	0.632	0.526
CI3	0.665	0.875	0.682	0.589
CL1	0.649	0.594	0.863	0.609
CL2	0.67	0.63	0.92	0.576
CL3	0.69	0.676	0.854	0.678
CS1	0.701	0.655	0.672	0.868
CS2	0.511	0.456	0.534	0.782
CS3	0.66	0.52	0.572	0.873

Source: SmartPLS data processed 2021

In light of the information in the table above, it can be seen that it meets the cross loading requirements where each variable has the largest cross loading value on the variable in its form compared to the cross loading value on other variables. so it tends to be presumed that the pointers utilized in the review have great discriminant legitimacy.

## Discussion

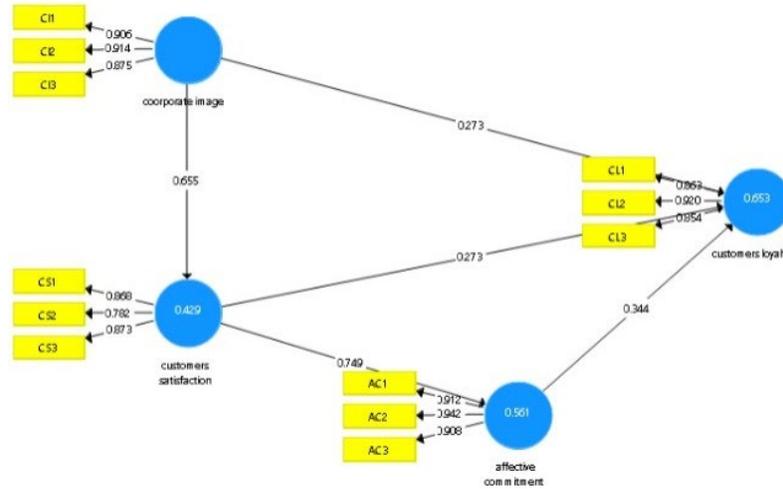


Figure 2. Bootstrapping Output Display

Table 5. R-Square . Value

Variable	R-Square
Affective Commitment	0.561
Customer Loyalty	0.653
Customer Satisfaction	0.429

Source: SmartPLS data processed 2021

Based on the table 5, the R-Square value for the affective commitment variable is 0.561, the customer loyalty variable is 0.653, and 0.429 for the customer satisfaction variable. The affective variable has an effect of 0.561 and the remaining 0.439 is influenced by other variables outside of this study. So the indicators used in this study can be said to only explain 56.1% as affective commitment and 43.9% explained by other factors (Figure 2). Furthermore, the customer loyalty variable has an effect of 0.653 and the remaining 0.347 is influenced by variables outside of this study. Based on this, the indicators used in this study can only explain 65.3% as customer loyalty while the remaining 34.7% is explained by other factors. And for customer satisfaction, the R-Square value is 0.429. This means that the customer satisfaction variable has an influence of 0.429 and the remaining 0.571 is affected by different factors outside the review. So the indicators used in this study can be said to only explain 42.9% as customer satisfaction and the other 57.1% are explained by other factors (Table 6).

Table 6. Hypothesis Test

Variable	Original Sample	Sample Mean	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
Affective commitment -> Customers loyalty	0.344	0.327	0.128	2,689	0.007
Corporate image -> Customers loyalty	0.273	0.270	0.111	2.468	0.014
Corporate image -> Customer satisfaction	0.655	0.656	0.067	9,824	0.000

Customers satisfaction -> Affective commitment	0.749	0.751	0.055	13,650	0.000
Customers satisfaction -> Customers loyalty	0.273	0.291	0.124	2.207	0.028
Customers image -> Affective commitment mediated by Customer Satisfaction	0.491	0.496	0.079	6.190	0.000
Corporate image -> Customers loyalty mediated by Customer Satisfaction	0.347	0.353	0.088	3.963	0.000
Customers satisfaction -> Customers loyalty mediated by Affective commitment	0.258	0.244	0.095	2,707	0.007

Source: SmartPLS data processed 2021

- 1. Effect of Affective Commitment on Customer Loyalty**  
Based on the table above, it shows that the path coefficient value is positive 0.344 which implies that there is a positive effect on customer loyalty. Then it has a t-statistics value of 2.689, which value is greater than 1.96 and p-value of 0.007 is smaller than 0.05 so that it shows a significant effect. This means that the affective commitment variable has a positive and significant effect on customer loyalty. Thus, the hypothesis regarding the effect of affective commitment on customer loyalty is accepted.
- 2. Effect of Corporate Image on Customer Loyalty**  
According to the table above, it shows that the path coefficient value is positive 0.273 This indicates that there is a favorable impact on customer loyalty. Furthermore, this hypothesis has a t statistics value of 2,468 and has a value greater than 1.96 and a p value of 0.014 which is smaller than 0.05 so that it shows a significant effect. It can be concluded that corporate image has a positive and significant effect on customer loyalty. Thus the hypothesis regarding the effect of corporate image on customer loyalty is accepted.
- 3. Influence of Corporate Image on Customer Satisfaction**  
Based on the table above, the path coefficient value is 0.655 which means that there is a positive influence on customer satisfaction. Then this hypothesis has a t statistic value of 9.824 which is greater than 1.96 and a p value of 0.000 is smaller than 0.05 so that it shows a significant influence between these variables. So it can be concluded that corporate image has a positive and significant effect on customer satisfaction. Thus the hypothesis regarding the effect of corporate image on customer satisfaction is accepted.
- 4. The Influence of Customer Satisfaction on Affective Commitment**  
Based on the table above, the path coefficient value is 0.749 which means that there is a positive influence between the two variables. Furthermore, this hypothesis has a t statistic value of 13.650 which is greater than 1.96 and has a p value of 0.000 which is smaller than 0.05 so that it shows a significant effect. Then it can be concluded that customer satisfaction has a positive and significant effect on affective commitment. Thus the hypothesis regarding the effect of customer satisfaction on affective commitment is accepted.
- 5. The Influence of Customer Satisfaction on Customer Loyalty**  
Based on the table above, it shows that the path coefficient value is positive 0.273 which means that there is a positive influence on customer loyalty. Then it has a t-statistics value of 2.207, which value is greater than 1.96 and p-value of 0.028 is smaller than 0.05 so that it shows a significant effect. This means that the customer satisfaction variable has a positive and significant effect on customer loyalty. Thus, the hypothesis regarding the effect of customer satisfaction on customer loyalty is accepted.
- 6. The Influence of Customer Image on Affective Commitment through Customer Satisfaction**  
Based on the table above, it shows that the path coefficient value of this hypothesis is 0.491, which means that there is a positive influence on affective commitment. Furthermore, it has a t-statistics value of 6.190, where the value is greater than 1.96 and the p-value is 0.000 or less than 0.05, thus showing a significant effect. It can be concluded that there is a mediating effect between customer image and affective commitment or it can be interpreted that the influence of customer image on affective commitment through customer satisfaction is positive and significant. Thus, the hypothesis regarding the influence of customer image on affective commitment through customer satisfaction is accepted.
- 7. Influence of Corporate Image on Customer Loyalty through Customer Satisfaction**  
Based on the table above, it shows that the path coefficient value of this hypothesis is 0.347, which means that there is a positive influence on customer loyalty. Furthermore, it has a t-statistics value of 3.963, where the value is greater than 1.96 and the p-value is 0.000 or smaller than 0.05, thus showing a significant effect. It can be

concluded that there is a mediating effect between corporate image and customer loyalty or it can be interpreted that the influence of corporate image on customer loyalty through customer satisfaction is positive and significant. Thus, the hypothesis regarding the effect of corporate image on customer loyalty through customer satisfaction is accepted.

8. Effect of Customer Satisfaction on Customer Loyalty through Affective Commitment

Based on the table above, it shows that the path coefficient value of this hypothesis is 0.258, which means that there is a positive influence on customer loyalty. Furthermore, it has a t-statistics value of 2.707, where the value is greater than 1.96 and the p-value is 0.000 or less than 0.007, so it shows a significant effect. It can be concluded that there is a mediating effect between customer satisfaction and customer loyalty or it can be interpreted that the influence of customer satisfaction on customer loyalty through affective commitment is positive and significant. Thus, the hypothesis regarding the effect of customer satisfaction on customer loyalty through affective commitment is accepted.

## 5. Conclusion

Based on the results of data analysis, it is stated that the four variables, namely Affective commitment, Corporate image, Customer loyalty, and Customer satisfaction have a greater AVE value so that they have met the validity requirements. From the outer loading test data, it shows that all indicators are valid and suitable for research and can be used for further analysis. All aspects of the variables that have been successfully carried out show positive results and have mutual continuity. And all the variables that were carried out in the study had values above the average so that the research was true and good.

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