Influence Analysis of Social Responsibility Marketing and Corporate Social Responsibility on Brand Image and Customer Loyalty of PT. Astra International

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Abstract: The application of marketing strategies plays an important role in efforts to increase the number of sales and market penetration, especially in competitive market conditions. Marketing strategies and social activities undertaken determine the sustainability and development of the company. This research was conducted with the aim to see the influence of marketing strategies and social activities carried out by the company on brand image and consumer loyalty. This study used a non-probability sampling convience sampling method by distributing questionnaires to 110 respondents. The results of this study indicate that social-based marketing and corporate social responsibility have a positive influence on brand image, while social-based marketing variables and corporate social responsibility do not have a direct positive influence on customer loyalty. But social-based marketing and corporate social responsibility have an indirect influence on customer loyalty through Brand Image. The results of this study also show that Brand Image has a positive influence on customer loyalty.

Keywords: Brand Image, Coorporate Social Responsibility, Customer Loyalty, Social Responsibility Marketing

1. Introduction

Now days every marketer must be able to see all kinds of business loopholes and consumer demand in targeting the right market share to be able to succeed in intense competition and profit. Along with the development of modern times the existence of a company or business world continues to be the attention and spotlight of many parties (Friedman, 1970). There are many factors that influence the growth and development of a company, ranging from good marketing communication to Corporate Social Responsibility (CSR) as part of the confirmation of the relationship between the business world and the community. (Carrol, 2016). One of the social activities that can be carried out in marketing is through Social Responsibility Marketing (SRM) activities. With these social activity the company is expected to be able to contribute to economic, social and environmental progress based on a view to achieving sustainable development. The benefits obtained in conducting CSR and SRM are that companies can grow and be sustainable, companies get positive images from the community, companies can easily take decisions related to society and facilitate risk management (Kotler and Keller, 2016).

PT Astra International is one of larger national business in Indoesia. They have built a strong reputation through offering a range of quality products and services, taking into account the implementation of good corporate governance and environmental management. PT Astra International has social program that called "Kampung Berseri Astra/Astra Serial Village" program. This program represents the implementation of the four pillars of Astra's corporate social responsibility namely education, entrepreneurship, environment and health. This program had been developed in 100 regencies spread throughout Indonesia. Based on the description above, the writer is interested to analyzing the Influence of Social Responsibility Marketing and Corporate Social Responsibility that had been carried out by PT. Astra International on Brand Image and Consumer Loyalty of PT. Astra International

2. Literature Review And Hypotheses Development

2.1 Social Responsibility Marketing (SRM)

The concept of Social Responsibility Marketing (SRM) contains five principles: consumer-oriented marketing, innovative marketing, value marketing, sense-mission marketing and social marketing (Kotler and Keller, 2016). Several types of Social Responsibility Marketing activities based on Marketing Management; 1) Corporate Social Marketing, in this type the company provides support for the change campaign especially on issues of health, poverty and education; 2) Marketing Cause, is done by sponsoring certain activities related to certain events / issues that are accompanied by advertising / marketing campaigns; 3) Cause-related Marketing,

the company provides a portion of revenue from the sale of certain products and a certain period of time to be donated to social or charitable activities; 4) Corporate Philanthropy, carried out by giving donations to non-profit institutions or individuals in the form of money, goods or other non-material to support social activities carried out by these institutions and individuals; 5) Corporate Community Involvement, carried out by providing social care in the form of assistance and volunteers to the community, can be held when natural disasters occur; 6) Socially Responsibility Business practices, carried out with companies implementing and conducting business practices that protect the environment, be environmentally friendly and protect human rights and animal protection.

2.2 Corporate Social Responsibility (CSR)
Corporate Social Responsibility (CSR) is an ongoing commitment by the business community to act ethically and contribute to the economic development of the local community or the wider community, together with improving the living standards of workers and their families (Wibisono,2007). CSR covers four types of social responsibility: economic, legal, ethical, and philanthropic in the Corporate Social Responsibility Pyramid (Carrol, 2016).

2.3 Brand Image (BI)
The set of belief held about a particular brand is known as brand image" Kotler and Armstrong (2013). Brand image is the main driver of brand equity (Aaker and Biel, 2013). Every expectation of premium cash flow enjoyed by a successful brand ultimately depends on consumer behavior. And consumer behavior, at the root, is driven by the perception of a brand. Four brand dimensions that were used as the model to measure brand image development are the strength of the brand association, the uniqueness of the brand association, the association of the brand association, and the type of brand association.

2.4 Customer Loyalty (CL)
Consumer loyalty is a commitment that is held in depth to buy or support products or services that are preferred in the future even though the influence of the situation and marketing efforts have the potential to cause customers to switch. Kotler and Keller (2016). Customer loyalty can be classified into three categories, namely: intention to repurchase, primary behavior (transaction information), and secondary behavior (willingness to recommend products and services in public and give praise). Customer loyalty can be demonstrated through attitudes and behavior. Attitudes include the intention to repurchase or buy another product from the company, the intention to recommend and immunity to competitors. This behavior includes repurchase behavior, purchasing other products from the company, and recommending it to others (Tjahjaningsih, 2013)
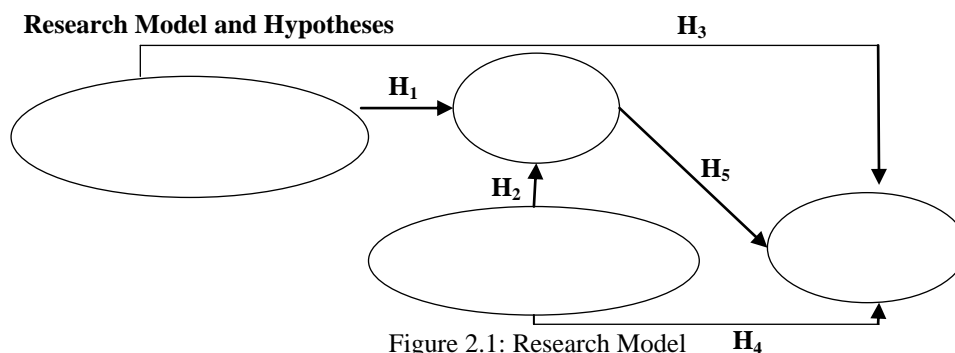
2.5 Research Model and Hypotheses

Figure 2.1: Research Model

In detail, the research hypothesis is:
H1 = Social responsibility marketing influences brand image
H2 = Corporate social responsibility influences brand image
H3 = Social responsibility marketing affects Customer Loyalty
H4 = Corporate social responsibility affects Customer Loyalty
H5 = Brand image influences Customer Loyalty

3. Methodology

In this study the non-probability sampling convience sampling method was used in which the researcher did not had other considerations except based on convenience. The design of this study was causal where research was used to look at the causal relationships of the variables studied to answer the research questions. Data collection methods used in this study using questionnaire instruments given to 110 respondents who had passed the screening stage. Data analysis method that using in this study was SmartPLS, it was ran on computer media. PLS (Partial Least Square) was a variance-based structural equation analysis (SEM) that can simultaneously test measurement models as well as structural model testing.

According to Monecke & Leisch (2012) SEM with PLS consists of three components, namely:

1. **Structural model (inner model). S**tructural models or inner models describe the relationship model between latent variables that are formed based on the substance of the theory.
2. **Measurement model (outer model).** Measurement models or outer models describe the relationship between latent variables and their manifest variables (indicators). In the outer model there are two types of models namely the formative indicator model and the reflexive indicator model. The reflexive model occurs when the manifest variable is influenced by latent variables, while the formative model assumes that the manifest variable influences the latent variable with the direction of causality flowing from the manifest variable to the latent variable
3. **Weighting scheme (weight relation).** This third part is a special feature of SEM with PLS and is not present in covariant-based SEM. According to Abdillah and Jogiyanto (2015), the weight relation score shows the relationship of variant values between indicators and their latent variables..

4. Result and Discussion

4.1 Structural Model (Inner Model)

The description of latent variables and their manifest variables are as follows:

1. Exogenous latent variables Social Responsibility Marketing (X1) has seven manifest variables (indicators) namely, paying attention to welfare expressed by SRM1, education expressed by SRM2, responsible advertising stated by SRM3, non profit oriented expressed by SRM4, social participation expressed by SRM5 , social activity campaigns are declared by SRM6 and provide benefits expressed by SRM7.
2. Exogenous latent variables Individual Corporate Social Responsibility (X2) has six manifest variables (indicators) namely, social care is expressed by CSR1, public welfare is expressed by CSR2, positive impact is expressed by CSR3, benefits can be felt expressed by CSR4, environment is expressed by CSR5 and development stated by CSR6.
3. Endogenous latent variables Brand Image (Y1) has six manifest variables (indicators) namely, committed expressed by BI1, proffesional expressed by BI2, successful campaigns declared by BI3, trustworthy expressed by BI4, caring expressed by BI5 and seriously raising stated prosperity by BI6.
4. Endogenous latent variables Customer Loyalty (Y2) has five manifest variables (indicators) namely, considering stated by CL1, using stated by CL2, wanting to buy back stated by CL3, recommending stated by CL4 and saying positive things stated by CL5.

When evaluating the measurement model for consumer respondents, the indicators used are all valid and reliable. In order to get the structural model that is suitable for this research, which is as follows:
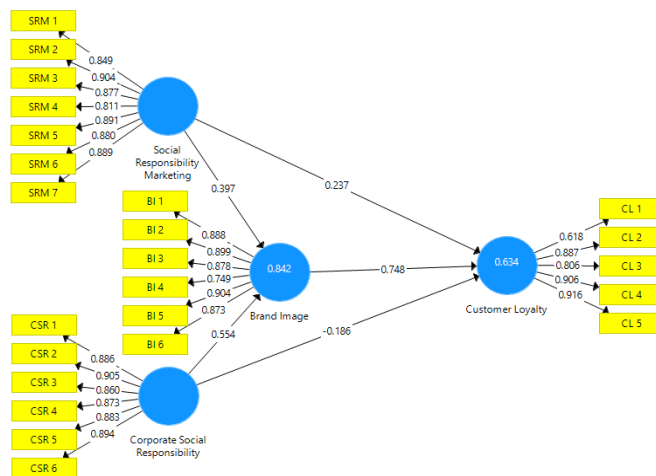
Figure 4.1:Output Loading Factor Modeling

4.2 Measurement Model (Outer Model)

Evaluation of the measurement model consists of three stages namely convergent validity test, discriminant validity test and composite reliability test.

Convergent Validity Test

Validity testing for reflective indicators can be done by using the correlation between the indicator score and the construct score. Measurement with reflective indicators shows there is a change in an indicator in a construct if other indicators in the same construct change. The results of calculations using the smart PLS 3.0 computer program can be seen in Table 4.1

Table 4.1: Output Result for Outer Loading

Indikator	Brand Image	Corporate Social Responsibility	Customer Loyalty	Sosial Responsibility Marketing
BI 1	0.888			
BI 2	0.899			
BI 3	0.878			
BI 4	0.749			
BI 5	0.904			
BI 6	0.873			
CL 1			0.618	
CL 2			0.887	
CL 3			0.806	
CL 4			0.906	
CL 5			0.916	
CSR 1		0.886		
CSR 2		0.905		
CSR 3		0.860		
CSR 4		0.873		
CSR 5		0.883		
CSR 6		0.894		
SRM 1				0.849
SRM 2				0.904
SRM 3				0.877
SRM 4				0.811
SRM 5				0.891
SRM 6				0.880
SRM 7				0.889

According to Chin (1998) a correlation can be said to meet the convergent validity if it has a loading value of greater than 0.5. The output shows that the loading factor gives a value above the recommended value that is equal to 0.5. So that the indicators used in this study have met the convergent validity.

Discriminant Validity Test

Reflective indicators need to be tested for discriminant validity by comparing the values in the cross loading table. An indicator is declared valid if it has the highest loading factor value to the intended construct compared to the value of the loading factor to other constructs. The result of discriminant validity test is shown in Tabel 4.2.

Table 4.2: Output Cross Loading

Indikator	Brand Image	Corporate Social Responsibility	Customer Loyalty	Sosial Responsibility Marketing
BI 1	0.888	0.808	0.666	0.763
BI 2	0.899	0.806	0.646	0.784
BI 3	0.878	0.762	0.633	0.750
BI 4	0.749	0.586	0.800	0.631
BI 5	0.904	0.843	0.681	0.786
BI 6	0.873	0.831	0.675	0.810
CL 1	0.528	0.453	0.618	0.518
CL 2	0.678	0.590	0.887	0.578
CL 3	0.605	0.530	0.806	0.599
CL 4	0.716	0.607	0.906	0.642
CL 5	0.734	0.658	0.916	0.689
CSR 1	0.798	0.886	0.645	0.766
CSR 2	0.803	0.905	0.584	0.805
CSR 3	0.730	0.860	0.525	0.695
CSR 4	0.772	0.873	0.591	0.717
CSR 5	0.845	0.883	0.630	0.793
CSR 6	0.785	0.894	0.650	0.763
SRM 1	0.699	0.636	0.565	0.849
SRM 2	0.766	0.773	0.671	0.904
SRM 3	0.776	0.741	0.661	0.877
SRM 4	0.661	0.739	0.534	0.811
SRM 5	0.784	0.797	0.662	0.891
SRM 6	0.796	0.751	0.621	0.880
SRM 7	0.823	0.790	0.715	0.889

Reliability Test

Sarwono and Narimawati (2015) stated that a latent variable can be said to have good reliability if the composite reliability value is greater than 0.7 and Cronbach's alpha value is greater than 0.7.Table 4.3 shows that all latent variables measured in this study have Cronbach's Alpha and Composite Reliability values greater than 0.7 so that it can be said that all latent variables are reliable.

Table 4.3: Latent Variable Reliability Test Results

Latent Variable	Cronbach's Alpha	*Composite Reliability*	Explanation
Social Responsibility Marketing	0.933	0.948	Reliable
Corporate Social Responsibility	0.944	0.955	Reliable
Brand Image	0.885	0.918	Reliable
Customer Loyalty	0.947	0.957	Reliable

4.3 Weighting Scheme (Weight Relation)

The weighting scheme in SEM with PLS is carried out by conducting a significance test through the R-squared (R2) test and estimation of the path coefficient.

Testing R2

The output for the R2 value using the smartPLS 3.0 computer program is shown in Table 4.4. The R-squared (R2) value is used to measure how much influence the particular independent latent variable has on the dependent latent variable. R2 value of 0.67 is categorized as substantial. R2 value of 0.33 is categorized as moderate, R2 value of 0.19 is categorized as weak, and R2 value of> 0.7 is categorized as strong (Chin, 1998)

Table 4.4: Output Calculation R2

	R Square	R Square Adjusted
Brand Image	0.842	0.839
Customer Loyalty	0.634	0.624

Estimation Of The Path Coefficient

Table 4.5: Results of Calculation of Bootstrapping Research

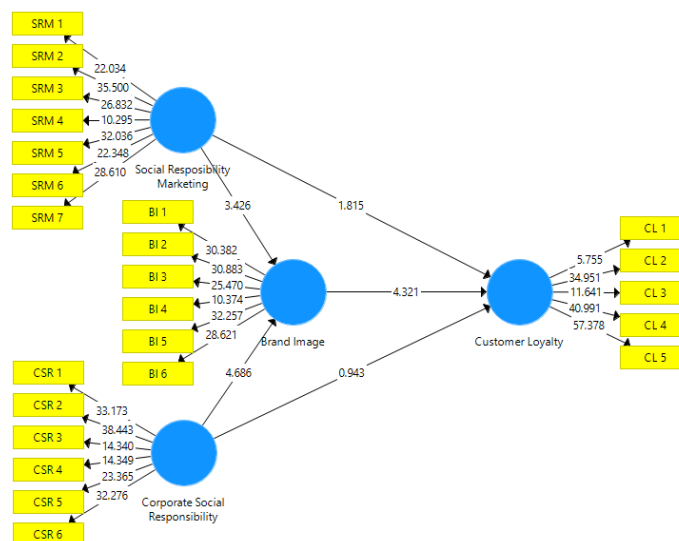| Variabel Eksogen	Variabel Endogen	Original Sample Estimate (O)	Sample Mean (M)	Standard Deviation (STD)	T Statistcs (IO/STDEVI)	P Values
SRM	BI	0.397	0.397	0.116	3.426	0.001
CSR	BI	0.554	0.553	0.118	4.686	0.000
SRM	CL	0.237	0.237	0.131	1.815	0.070
CSR	CL	-0.186	-0.162	0.189	0.943	0.346
BI	CL	0.748	0.732	0.173	4.321	0.000

Figure 4.2: Bootstrapping Modeling Results

Hypothesis 1 is a statement that there is a positive influence between Social Responsible Marketing and brand image. Based on the results of the calculation of the structural model for hypothesis 1, a statistical T value of 3.426 was obtained. Because the statistical T value is greater than 1.96, this research data supports the statement that Social Responsible Marketing has a positive influence on Brand Image.

Hypothesis 2 is a statement that there is a positive relationship between Corporate Social Responsibility and Brand Image. Based on the results of the calculation of the structural model for hypothesis 2, the statistical T value is 4.686. Because the statistical T value is greater than 1.96, the data of this study support that Corporate Social Responsibility has a positive influence on Brand Image.

Hypothesis 3 is a statement that there is a relationship between Social Responsible Marketing and Customer Loyalty. Based on the calculation of the structural model for hypothesis 3, the statistical T value is 1.815. Because the p value is smaller than 1.96, the data of this study do not support that Social Responsible Marketing has a direct positive influence on Customer Loyalty. So it can be said that Social Responsible Marketing has no direct influence on Customer Loyalty.

Hypothesis 4 is the variable Corporate Social Responsibility does not affect Customer Loyalty. Based on the results of the calculation of the structural model for hypothesis 4, a statistical T value of 0.943 was

obtained. Because the statistical T value is smaller than 1.96, the data of this study support that Corporate Social Responsibility does not have a direct positive influence on Customer Loyalty.

Hypothesis 5 is a statement that there is a positive relationship between Brand Image and Customer Loyalty. Based on the results of the structural model calculations for hypothesis 2, the statistical T value is 4.321. Because the statistical T value is greater than 1.96, the research data support that Brand Image has a positive influence on Customer Loyalty.

Table 4.6: Total Indirect Effect

	Original Sample Estimate (O)	Sample Mean (M)	Standard Deviation (STD)	T Statistcs (IO/STDEVI)	P Values
CSR -> BI -> CL	0.415	0.406	0.136	3.037	0.003
SRM -> BI -> CL	0.297	0.291	0.108	2.743	0.006

Based on Table 4.6, Social Responsibility Marketing has indirectly influenceto Customer Loyalty through Brand Image. Because the statistical T value is 3.037 or greater than 1.96 and p value 0.006 or smaller than 5%. In addition, Corporate Social Responsibility has an indirect influence on Customer Loyalty through Brand Image. Because the statistical T value is 2.743 or greater than 1.96 and p value 0.003 or smaller than 5%.

4.4 Inter Variable Influence
The Influence of Social Responsibility Marketing on Brand Image

Social Responsibility Marketing variables have a significant influence on Brand Image. Through implementation Socially Responsible Marketing, PT. Astra Internasional shows its commitment to provide added value to the community, increasing assistance through training and education to the community can be well received by the community. The results of this study also support the theory put forward by Kotler and Armstrong (2014), namely: "Marketing as a process where companies create value for customers and build strong customer relationships to get value from customers in return".

The Influence of Corporate Social Responsibility on Brand Image

Corporate Social Responsibility variables have a significant influence on Brand Image. Through the implementation of Corporate Social Responsibility, which is an obligation for every company, it shows that these activities play a role in being responsible for social issues such as providing education and community welfare. Social activities carried out by PT. Astra International can cause a positive rating from consumers so that it can improve the company's image in the public eye. Furthermore, consumers will prefer and will be easier to trust the brand promises delivered by products that are considered to care about social issues such as health / well-being / the surrounding environment. This study result was appropiate with theory that said a high value of the CSR perception defines an association to the brand held in the consumer memory (Keller, 1993). The positive perceived experience, for a customer who does care about service companies taking social responsibility, will create feelings of trust, affection, and closeness to this specific brand that reflects the customer's core emotional and social values (Gronroos, 2007)

The Influence of Social Responsibility Marketing on Customer Loyalty

Socially Responsible Marketing does not have a direct influence on Customer Loyalty, but the Corporate Social Responsibility variable does not directly affect Customer Loyalty through Brand Image. Long-term CRM campaigns do indeed affect customer loyalty, this is because CRM campaigns may not be able to disrupt the relationship between customers and the product image that is highly engaged by customers. In addition, there are allegations that consumers and the public are more likely to see PT. Astra International as a stand-alone brand, and social marketing activities are not directly related to customer loyalty.

The Influence of Corporate Social Responsibility on Customer Loyalty

It can be said that Social Responsible Marketing has no direct influence on Customer Loyalty, but the Corporate Social Responsibility variable has an indirect influence on Customer Loyalty through Brand Image. PT. Astra International, which indeed prioritizes CSR as one of the company's responsibilities to the community, does not yet encourage the loyalty of consumers and the community directly, but the social care undertaken by PT. Astra International has a very long role to play in customer loyalty.

The Influence of Brand Image on Customer Loyalty

Brand Image variables have a significant influence on Customer Loyalty. The results of this study indicate the influence of a well-managed Brand Image will also have a good influence on consumer loyalty to a brand. The results of this study are in line with the explanation given by Ogba and Zhenzhen (2009) which says that a good Brand Image will also have a good influence on customer loyalty.

Conclusions

Coorporate Social Responsibility and Social Responsibility Marketing programmethat had been done by PT. Astra International, which are Kampung Berseri Astra programme, had direct influence on brand image. In the other hand, these programe not have direct positive influence on customer loyality, but have indirect influence on customer loyality through brand image. Brand image has possitive influence to customer loyality.Based on these results shows that the community especially PT Astra International customers already know and get the benefit of these programme. For the long-term effect, it can be impact to sustainable bussines (Griffin (2005)

This research still has limitation, sampling frame used in this study wascustomer that already know about Kampung Berseri Astra programme. Therefore, the results can not be generalized for all PT Astra International customer. The results of this research are relative but not absolute. The model, that developed in this research, is based upon multiple criteria like theoretical, statistical and practical considerations (Diamantopoulos and Siguaw, 2000).This research has provided opportunities for future research, future research could consider conducting investigations among other customer not only on customer that already known about that programme. Similar research could be conducting also in dfferent companies, so that the relationthip theory of these paramater can be proven.

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