
The Role of Brand Benefits in Financial Quality, Based on Responsiveness and Guarantee, and Its Implications for Customer Loyalty (Study of One Digital Financial Service Provider in Indonesia)

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ABSTRACT

This study aims to examine the impact of brand benefits on a firm's financial performance. The primary emphasis is on two critical aspects of brand advantages: responsiveness and assurance. The present study additionally investigates the influence of financial quality on customer loyalty.

The research methodology employed in this study entailed acquiring data from a diverse pool of respondents who served as customers for different brands within the relevant industry—the process of data collecting involved the administration of questionnaires and the execution of organized interviews. The study employed statistical research to examine the correlation between brand benefits, financial quality, and consumer loyalty.

The empirical evidence suggests that the level of responsiveness and assurance exhibited by a brand has a notable influence on a firm's financial performance. Moreover, a positive correlation exists between enhanced financial quality and increased levels of consumer loyalty.

The conclusions of this study suggest that firms should recognize the significance of brand responsiveness and assurance in enhancing their financial performance. This further emphasizes the significance of upholding and improving financial excellence to bolster client loyalty. The present study provides a valuable contribution to comprehending the interplay among brand benefits, financial quality, and consumer loyalty within the contemporary industry landscape.

Keywords: Brand Benefit, Financial Quality, Responsiveness, Guarantee, Customer Loyalty

INTRODUCTION

The significance of brand equity and its impact on financial performance has attracted considerable attention from scholars and professionals in the current dynamic and competitive corporate environment. A brand encompasses more than mere visual elements

such as a logo or symbol; it encompasses a compilation of thoughts, emotions, and physical advantages linked to a particular product or service. (Chick et al., 2020; Supriadi et al., 2023; Xiao et al., 2019) The core aspect of this concept revolves around brand benefits, which encompass the additional value and attributes that a brand provides to its customers. Two critical dimensions that significantly contribute to the financial quality of an organization are responsiveness and assurance. (Mishra et al., 2020)

Responsiveness, within the framework of brand benefits, refers to the capacity of a brand to attend to the demands and apprehensions of its clientele promptly and efficiently. (Murray et al., 2019) The statement above elucidates the extent to which a brand exhibits attentiveness and adaptability towards its customer base. A brand that demonstrates exceptional responsiveness cultivates a robust perception of trust and dependability within its client community, resulting in enhanced financial outcomes. In contrast, assurance pertains to the commitment made by a brand to uphold quality, reliability, and customer pleasure. (Beaulieu & Jimenez-Gomez, 2022; Saad et al., 2022) Committing to standards through certification assists in instilling confidence in consumers and mitigates perceived risks associated with purchases.

The dynamic relationship between responsiveness and assurance plays a crucial role in influencing the financial quality of a business. (Aditia et al., 2021; Riyani et al., 2021; VO et al., 2020) This study explores the complex dynamics of customer-brand contact and its subsequent influence on financial performance. The comprehension of how these advantages offered by a brand contribute to its financial performance carries substantial consequences for businesses aiming to succeed not only in a competitive market but also in fostering long-lasting relationships with their customers.

Moreover, examining the association between brand benefits and consumer loyalty is essential in this study. Customer loyalty is a fundamental aspect of achieving long-term economic viability, as it signifies the emotional connection and dedication customers exhibit towards a specific brand. (Megawati, 2017; Ningsih, 2016; Özkan et al., 2019) The inquiry into the impact of brand benefits, particularly responsiveness and assurance, on consumer loyalty is relevant. A brand that regularly provides responsive and reliable experiences is likelier to establish long-lasting relationships with its customers, leading to repeated purchases, favorable referrals, and decreased inclination to switch to rival brands. (Cuesta-Valiño et al., 2022; Saputri & Guritno, 2021)

This study aims to provide a comprehensive understanding of the complex interplay among brand benefits, financial quality, and consumer loyalty. Through an analysis of the unique impacts of responsiveness and assurance, our objective is to reveal the underlying mechanisms that influence these brand traits on the financial well-being of organizations. Furthermore, we aim to examine the moderating effect of financial quality on the association between brand benefits and consumer loyalty. The research findings have the potential to provide significant insights for firms aiming to improve financial performance and strengthen consumer connections in a market that is becoming more competitive. By thoroughly examining these interconnected concepts, our objective is to offer a sophisticated

comprehension of how brand advantages operate as a driving force for long-term corporate prosperity.

METHOD

To evaluate the impact of the research variables, the researcher employed a survey methodology, specifically utilizing an exploratory factor analysis technique with oblimin rotation. The survey was administered to a sample of target consumers with prior experience using one of the digital wallet services. The study utilized a non-parametric methodology, specifically Partial Least Squares (PLS) structural equation modeling, to analyze data from a sample of 100 participants who had prior experience with a digital wallet service. The poll was disseminated via a hyperlink to a Google Form posted on various social media platforms. The researcher employed convenience sampling as the technique for sample collection. Participants were requested to complete a structured questionnaire provided by the researcher voluntarily.

The research was conducted over four months subsequent to the collection of questionnaires. The researcher summarized the responses from a sample of 100 consumers, who documented the characteristics of the respondents as follows: The female respondents constituted a majority of 63%, whereas the male respondents accounted for 37% of the total respondents. The imbalanced gender distribution can be ascribed to the service's predominant emphasis on facilitating online payment and transaction services, including insurance payments, electricity token purchases, online shopping bill settlements, and similar activities. Likewise, it is observed that women often assume greater responsibility in overseeing routine financial matters. The age range of the respondents was primarily concentrated between 21 and 25 years old, constituting the majority with a proportion of 60% out of the entire sample. The survey participants between 16 and 20 accounted for 4% of the total sample, while those aged 26 and 30 comprised 10%.

Additionally, individuals above 40 made up 17% of the respondents. The age group of 21-25 exhibited higher percentages than others. This age range is a productive period characterized by a strong propensity for adopting new technologies. The prevalence of application-based services enables individuals in this age group to utilize the Internet according to their abilities.

About the most significant level of education achieved, the data reveals that those with a high school or vocational school education constituted the most significant proportion, including 50% of the respondents. Subsequently, respondents with a Diploma constituted 8% of the total. The percentage of individuals holding a Bachelor's degree (S1) was 38%, while those with a Master's degree (S2) accounted for 2%. The remaining 2% consisted of individuals with different educational backgrounds. The proportions of respondents with a high school or technical school education were significantly higher than individuals with alternative educational backgrounds. These findings suggest that a considerable proportion of individuals with a high school or technical school education and those with a Bachelor's

degree are using the service primarily for non-monetary transactions due to the impact of the COVID-19 epidemic.

Regarding individuals' employment status, most respondents identified themselves as students, accounting for 45% of the sample. Public officials constituted 4% of the participants, while private sector employees included 33%. A small proportion of respondents, 2%, identified themselves as entrepreneurs, while 6% identified as homemakers. The remaining 10% of respondents reported having jobs classified as "other." Students' occupations constituted the most significant proportion, mirroring the findings reported in Table 4.3. This indicates that many individuals who have completed high school/vocational school or obtained a Bachelor's degree are utilizing the service for non-monetary transactions amidst the Covid-19 pandemic.

RESULTS AND DISCUSSION

The researchers carried out calculation data processing which showed variations in results, which are shown in Table 1 below:

Table 1 Results of Research Outer Loading Indicator Calculations

	Responsiveness	Assurance	Brand Benefit	Loyalty
Res1	0,900			
Res2	0,891			
Res3	0,822			
As1		0,892		
As2		0,855		
As3		0,855		
Bb1			0,847	
Bb2			0,747	
Lo1				0,933
Lo2				0,890
Lo3				0,768

Table 1 shows that the research instrument has an outer loading greater than 0.5, so further testing can determine the validity and reliability of the research construct.

Table 2 Results of Construct Validity and Reliability Calculation

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Assurance	0,763	0,858	0,669
Brand Benefit	0,691	0,866	0,763
Loyalty	0,834	0,900	0,751

Responsiveness	0,841	0,905	0,760
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Table 2 shows the research construct value >0.6 for Cronbach's Alpha and Composite reliability. Likewise, the Average Variance Extracted value is >0.5, so it can be said that the research construct is valid and reliable.

Table 3 Calculation Results of Path Coefficient, R Square and Hypothesis

	Original Sample (O)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Assurance -> Brand Benefit	0,474	0,479	0,090	5,283
Brand Benefit -> Loyalty	0,717	0,721	0,063	11,292
Responsiveness -> Brand Benefit	0,409	0,408	0,095	4,294
R square	R square		R Square Adjusted	
Brand Benefit	0.705		0.699	
Loyalty	0.513		0.508	

Based on the calculation results in the P value, it shows assurance of significant brand benefits. The brand benefit to loyalty is significant responsiveness towards significant brand benefits. With R square values of 0.705 and 0513, respectively, the model developed is in the excellent category.

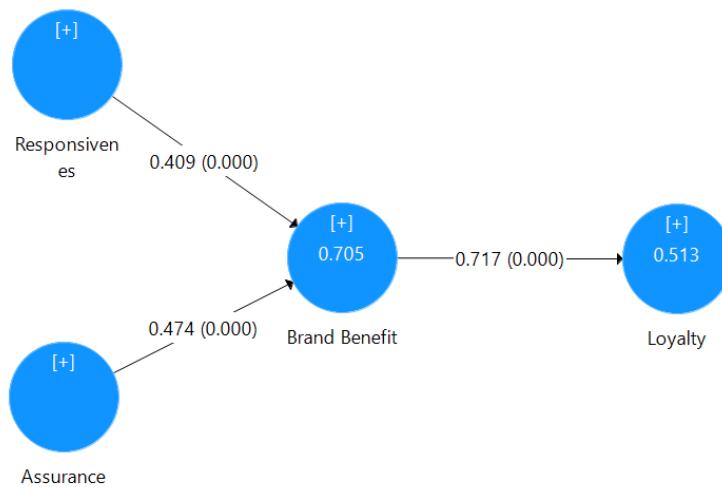


Figure 1. The Role of Brand Benefits in Financial Quality, Based on Responsiveness and Guarantee, and Its Implications for Customer Loyalty

Recent studies in the digital financial services sector have unveiled a noteworthy finding: the caliber of service within the domain of digital finance is significantly impacted by two primary criteria, specifically assurance (security assurance) and responsiveness. This finding provides novel perspectives on how service companies might bolster consumer loyalty by enhancing the quality of their digital services.

The presence of assurance or security guarantees primarily determines the quality of digital financial services. Users desire reassurance regarding the security of their financial

data and transactions to mitigate any cyber dangers and risks. Users need assurance that the digital platform they are utilizing has adopted robust security protocols and prioritizes safeguarding their personal information.

The timeliness of responses is a significant factor in influencing the user's overall experience. Individuals desire to experience a sense of worth and acknowledgment when engaging with digital financial services. The promptness in addressing inquiries, feedback, or user concerns is crucial in establishing user confidence and contentment.

Additionally, the research emphasizes the synergistic relationship between certainty and responsiveness. The correlation between the level of security in digital financial services and the advantages derived from rapidly meeting user requests suggests that higher security measures yield more significant benefits. For example, when users can promptly get support or receive answers to their inquiries, they will experience heightened confidence and ease in utilizing the digital platform. This fosters a setting where the integration of security and responsiveness mutually reinforces each other, establishing a robust basis for cultivating consumer loyalty.

The synergistic effects of integrating assurance and responsiveness yield further favorable outcomes. The research findings suggest that augmenting the security measures of digital financial services, in conjunction with effective responsiveness, can significantly contribute to enhancing the brand image. Users commonly establish a connection between the brand and its provision of exceptional service quality and gratifying customer experiences. A brand capable of offering robust security measures and prompt responsiveness will be perceived as a dependable and credible option.

Ultimately, this phenomenon engenders a heightened sense of brand loyalty among consumers. Individuals tend to favor selecting and utilizing digital financial services offered by a brand that has exhibited a strong dedication to ensuring its users' security and contentment. Therefore, this study presents compelling evidence that allocating resources toward enhancing the quality of digital services, specifically assurance, and responsiveness, is a prudent strategy for digital financial service providers seeking to establish and sustain a loyal and dedicated client cohort.

This study provides evidence to support the notion that the quality of service in the digital financial industry is of utmost importance in ensuring the protection of customer security and fostering confidence. By adequately implementing crucial components such as assurance (security guarantee) and responsiveness, the possible financial risks to consumers can be avoided.

For example, if a digital financial service fails to adhere to stringent security protocols, clients face the potential danger of personal information breaches or fraudulent activities. The circumstances above might lead to substantial monetary deficits for clients while undermining their confidence in the service provider. Hence, it is imperative to prioritize the establishment of a robust degree of confidence in digital financial services to safeguard consumer finances and foster trust.

Furthermore, the responsiveness factor is also essential in effectively managing consumer financial risks. If a financial service fails to address consumer demands or inquiries promptly,

it may result in prolonged periods of issue resolution or transaction completion. These delays can result in inconvenience or perhaps lead to extra financial losses for consumers. Hence, it is imperative to prioritize effective responses to mitigate the potential hazards associated with using digital financial services.

In addition to the viewpoint of consumers, financial concerns have the potential to exert influence on the reputation and brand image. The reputation of a business might be negatively impacted if a financial service fails to offer sufficient security assurance and timeliness. This phenomenon can erode public trust and alienate potential consumers, ultimately resulting in adverse effects on consumer loyalty and the organization's financial performance.

Therefore, digital financial service providers must recognize that placing importance on assurance and responsiveness is not solely focused on preserving or improving consumer loyalty but also on safeguarding them against any financial hazards resulting from insecure or unresponsive services. By thoroughly understanding and effectively mitigating these financial risks, financial service providers may establish a robust framework for enduring growth and sustainability.

CONCLUSION

This study highlights the significant importance of Brand Benefits, particularly Responsiveness and Guarantee, in influencing the quality of digital financial services. The user experience is significantly influenced by two key factors: assurance, which includes security guarantees, and Responsiveness, which refers to promptness. Assurance encompasses providing a sense of certainty about data security and transactions. On the other hand, Responsiveness entails the establishment of interactions that prioritize and promptly attend to users' needs.

This research highlights the synergistic relationship between Assurance and Responsiveness. Implementing robust security measures in digital financial services establishes a solid basis for prompt Responsiveness. Individuals who experience a sense of security and obtain timely and efficient responses tend to exhibit higher loyalty toward the company. The results of this amalgamation also encompass an elevated brand image, as brands that are viewed as secure and responsive are recognized as reliable options.

This research underscores the significance of Assurance and Responsiveness in safeguarding consumers against potential financial hazards from a financial risk perspective. Implementing robust security measures significantly reduces the likelihood of personal information being compromised or fraudulent activities occurring. Additionally, a high level of Responsiveness enables prompt and efficient resolution of consumer requirements and inquiries, mitigating further financial or reputational losses.

Suppliers of digital financial services must recognize that improving Assurance and Responsiveness encompasses not only the cultivation of client loyalty but also the safeguarding of individuals from potential financial hazards stemming from insufficient service provisions. Financial service providers can establish a solid basis for sustained growth and uphold client trust by emphasizing the prioritization and optimization of Assurance and

Responsiveness. Therefore, this study presents compelling evidence that enhancing digital service quality through Assurance and Responsiveness is a prudent strategy for digital financial service providers seeking to establish and sustain a dedicated and loyal customer base.

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