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**MARKETING INTERNATIONAL SEMINARS
AND THE 4th INTERNATIONAL CONFERENCE
ON BUSINESS AND BANKING INNOVATIONS**

Surabaya, 29th January 2022

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The 4ᵗʰ
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**The Strategy of Digital in Business
for Gaining Competitive Advantages after Pandemic**

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"The Strategy of Digitalization in Business for Gaining Competitive
Advantages after Pandemic"

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FOREWORD

Alhamdulillah, praise be to Allah Subhanahu Wa Ta'ala for granting us the opportunity to organize and publish the proceedings of the 4th International Conference on Business and Banking Innovations (ICOBBI) with the topic "The Strategy of Digitalization in Business for Gaining Competitive Advantages after Pandemic". This proceeding contains several researches articles from many fields in Business & Marketing, Banking & Sharia Banking, Accounting & Financial Management, Human Resources Management, Operations Management, Investasi, Insurance & Capital Market, Strategic Management, Technology Management, and Information System.

The 4th International Conference on Business and Banking Innovations was held on 29th January 2022 by virtual (online) zoom meeting and organized by the Master Management Study Program of Universitas Hayam Wuruk Perbanas in Collaboration with five Higher Education Institutions in Indonesia and three Universities from Asia countries. Keynote speakers in this conference were: Chonlatis Darawong, P.hD (Sripatum University, Thailand), Associate Prof. Dr. Ellisha Nasrudin (University of Science, Malaysia), Dr. Sanju Kumar Singh (Postdoctoral Fellowship in Universitas Airlangga, Tribhuvan University Nepal) and Prof. Dr. Abdul Mongid, MA., P.hD (Universitas Hayam Wuruk Perbanas, Indonesia).

I would like to give high appreciation to the Rector of Universitas Hayam Wuruk Perbanas for his support at this event. Acknowledgments and thank you to all the steering and organizing committees of the ICOBBI for the extra ordinary effort during the conference until this proceeding published. Thank you very much to all presenter and delegates from various Universities. Beside it, I would like to express our gratitude to the three universities, namely Universitas 17 Agustus Surabaya, STIE YKPN Yogyakarta, Universitas Negeri Gorontalo, Universitas Surabaya and Universitas Muhammadiyah Surakarta which has been the co-host of this event.

Hopefully, the proceeding will become a reference for academics and practitioners, especially the business and banking industry to get benefit from the various results of the research field of Business and Banking associated with Information Technology. Proceedings also can be accessed online on the website http://eprints.perbanas.ac.id/

Chair of the Master Management Study Program
Universitas Hayam Wuruk Perbanas

Prof. Dr. Tatik Suryani, M.M.

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At Zoom Meeting

The Determinants of Brand Equity in Banking

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ABSTRACT

Banks need to strategically improve their brand equity due to similarity of services in the banking industry. While brand equity has largely received attention in non-banking industry, studies on brand equity in the banking context is scarce. To contribute to the literature on brand equity, the current study examines the relationships between sensory brand experience, customer satisfaction, brand trust, brand loyalty, perceived quality, and brand equity. This study conducted a survey to Indonesian banking customers to test the proposed relationships. To examine the relationships, this study employed a structural equation modeling. This study found sensory brand experience drives customer satisfaction. Further, perceived quality drives brand loyalty. Finally, brand trust and brand loyalty, but not customer satisfaction, drive brand equity. The findings imply that banks need to strategically emphasize their product quality and pay a sufficient attention to customers' sensory brand experience to improve their brand equity.

Keywords: Brand, bank, competition, quality, Indonesia

1. INTRODUCTION

In marketing, the brand plays an important role. A brand is a product identity that can differentiate and function to identify goods or services in the market (Aaker, 2020, p. 9). To facilitate the process of identifying goods or services in the market, it is necessary to create brand equity. Brand equity has an important role to attract customers, because brand equity is an asset that plays a role in adding or reducing value for consumers (Aaker, 2020, p. 9). In addition, brand equity can reflect the thoughts, feelings and actions of consumers towards the brand (Lin, 2015). In addition Lin (2015) stated that by establishing brand equity will help increase brand value, market share, and company benefits. Therefore, if a brand can build strong equity, it will indirectly facilitate the marketing of the brand.

Building brand equity will make the product more quickly recognized in the market. Research related to the formation of brand equity has been done before. One of the studies that examines the formation of brand equity is a research by Vukasović (2016). In addition, referring to research Iglesias et al., (2019) states that the formation of brand equity in the banking sector can be influenced by several factors, one of which is customer experience. This indicates the formation of brand equity can be influenced by many factors. Therefore, research is needed to look at other factors that act as supporters of the formation of brand equity.

There are several triggering factors for the formation of brand equity. Iglesias et al., (2019) conceptualized brand equity to be formed by the variables of brand sensory experience and customer satisfaction which act as mediators of brand sensory experience with brand equity. In addition, brand trust is formulated as a form of brand equity by (Ebrahim, 2020). Furthermore, Vukasović, (2016) formulated that brand equity is formed by perceived quality and brand loyalty which mediates the relationship between perceived quality and brand equity. Referring to some of these research studies, this research will conduct evidence related to the theory of brand equity formation mentioned in the banking sector. The research was conducted in the banking sector to add references to the formation of brand equity, especially in the banking sector.

2. LITERATURE REVIEW AND HYPOTHESIS

2.1 Sensory brand experience

Brand sensory experiences are often used by marketers to get consumers interested in a brand. Brand sensory experience is refers to as the result of interactions between consumers and brands that elicit responses from internal consumers in the form of sensations, feelings and cognitions which will then affect consumer behavioral responses to brands (Iglesias et al., 2019). Sensory brand experience is an accumulation of experiences by consumers. This

indicates that the brand's sensory experience is an important element that must be considered by marketers. Referring to this, the current research includes brand sensory experience as one of the variables.

Sensory Brand Experience has been a topic of previous research. Ding & Tseng, (2015) conducted a study on the effect of brand sensory experience on fast food restaurant customers. In this study, it was found that brand experience has an indirect relationship to brand equity. This indicates that brand experience has a role in building brand equity. Furthermore, referring to research Loureiro & Sarmento, (2018) which conducted research on brand experience in the banking sector. The study found that the service provided and the empathy of the service provider play an important role in shaping a customer's experience. Therefore, this study included the brand sensory experience variable in this study.

2.2 Customer Satisfaction

Customer satisfaction is often used as a measure of the success of a brand. Customer satisfaction is defined as a measure of how the product or service provided by the brand can meet or exceed the expectations and desires of consumers (Joung et al., 2016). Customer satisfaction is the accumulation of customer experiences and expectations of a brand. This indicates that customer satisfaction is an important element that must be considered. Referring to this, the current research includes customer satisfaction as one of the variables.

Customer satisfaction has been a topic of previous research. Dash et al., (2021) have conducted research on customer satisfaction related to the evolution of marketing 4.0 at this time. In the study found the fact that purchase intention can come from previous customer satisfaction. In addition, customer satisfaction has also been studied in the banking sector previously by (Tadic et al., 2018). The study stated that creating customer satisfaction will help a bank in dealing with competition. This confirms that creating satisfaction is something important in facing competition in the market. Therefore, this study included the variable of customer satisfaction in this study.

2.3 Brand Equity

Brand equity is often used as a strategy to attract consumers. Brand equity is defined as the result of customer reactions that are influenced by marketing that raises consumer knowledge of a brand (Ahmad & Hashim, 2011). Brand equity will provide added value to a brand, which can make customers have an interest in the brand. This indicates that customer satisfaction is one thing that must be considered by marketers. Referring to this, the current research includes brand equity as one of the variables.

Brand equity has been a topic of previous research. Godey et al., (2016) have conducted research related to brand equity in premium brands marketed using social media. The study found brand equity can be formed as a result of marketing through social media. This indicates that brand equity can be formed not only from conventional marketing but can also be formed from marketing activities using a technology base. In other studies, research related to brand equity has also been carried out in the banking sector, one of which is by (Hafez, 2018). The study examines the effect of the social activities of banking companies on brand equity. Hafez, (2018) in this research found that corporate social activities will have a positive effect on the company's brand equity. This is due to the formation of a good image of the company in the community which will provide benefits for brand re-centralization in the market. Therefore, this study includes brand equity as one of the variables.

2.4 Brand Trust

Brand trust is often used as an indication that the brand has succeeded in delivering its performance well. Brand trust is defined as the willingness of consumers to rely on a brand because they have trust that is motivated by the reliability and integrity of the brand (Kim et al., 2019). Brand trust will provide benefits to a brand, because it will make consumers will continue to use the products of the brand. This indicates that brand trust is one of the important things that must be built by marketers. Referring to this, this study includes brand trust as one of the variables

Brand trust has been a topic of previous research. J. P. Kosiba et al., (2020) has conducted research on brand trust in the banking sector in the country of Ghana. In the study, found trust is the beginning of customer confidence in the bank. This indicates that banking companies need to ensure that the products or services provided can meet customer needs, as an effort to build trust and confidence in their customers. In other research Atulkar, (2020) conducted research on brand trust in shopping places. In that study, stated that brand trust will form brand loyalty to customers. This can occur as a result of the success of the brand in meeting what is expected by consumers, which then triggers the formation of brand loyalty. Therefore, this study includes brand trust as one of the variables.

2.5 Perceived Quality

Perceived quality is often used to measure the impression of quality on a brand. Perceived quality is defined as a consumer's assessment of the quality of a product from a brand which is judged based on the advantages and disadvantages of the product perceived by consumers (Zeithaml, 1983). The measured quality

will provide an overview of the quality contained in a product that is perceived by consumers. This indicates that perceived quality is one of the things that must be considered by marketers in their products. Referring to this, this study includes perceived quality as one of the variables.

Perceived quality has been a topic of previous research. Souki et al., (2020) conducted a study related to the quality perceived by customers at a restaurant. In this study it was found that perceived quality will be able to shape customer satisfaction and perceived value which will then have an impact on good word of mouth which in turn can form brand loyalty. This indicates that perceived quality plays an important role in consumer perceptions of a brand. In another study, de Bruin et al., (2021) examined the perceived quality of the banking sector in Oman. In this study, it was found that customer satisfaction can be formed from the perceived quality in the form of services provided by a bank. This indicates that one way to shape perceived quality can be done by providing optimal service. Therefore, this study included perceived quality as one of the variables.

2.6 Brand Loyalty

Brand loyalty is often seen as a sign of the brand's success in managing customer relationships. Brand loyalty is defined as a consumer's commitment to keep buying the same product from time to time, recommending the brand to others, and refusing to switch to another brand (Song et al., 2019). Brand loyalty will make the product more quickly absorbed in the market, because there is already a set of customers who will definitely buy the product. In addition, brand loyalty will provide protection for a brand, which will secure the brand from customer takeover by competitors to switch to other brands. This indicates that brand loyalty is very important for the continuity of the product in the market. Referring to this, then in this study include brand loyalty as one of the variables.

Brand loyalty has been a topic of previous research. J. P. B. Kosiba et al., (2018) have conducted research related to brand loyalty in the banking sector conducted in the country of Ghana. In this study, it was stated that customer loyalty was closely related to brand loyalty. This indicates that loyal customers can come from customer loyalty to a banking brand. Furthermore, research Ramaseshan & Stein, (2014) conducted research related to the theory of brand loyalty. Ramaseshan & Stein, (2014) states that brand loyalty can come from positive brand experiences owned by consumers. This can happen because a consumer has a good experience with a brand which is likely to lead to repeat purchases in the future, and over time will lead to brand loyalty to these consumers.

Therefore, this study includes brand loyalty as one of the variables.

2.7 Brand loyalty and Brand Equity

Creating brand loyalty is a way to build brand equity. This relationship can be identified by examining the effect of brand loyalty with brand equity. Research related to the relationship between brand loyalty and brand equity has been carried out by (Shabbir et al., 2017; Grant et al., 2014; Alhaddad, 2014). In research Alhaddad, (2014); Shabbir et al., (2017) stated that brand loyalty is one of the main parts of brand equity. This indicates that loyalty is one of the main parts of brand equity. In addition, when referring to research Grant et al.,(2014) states that loyalty is one of the main triggers of the formation of brand equity. Referring to some of these studies, research related to the relationship between brand loyalty and brand equity has been carried out in the non-banking sector, but has not been carried out in the banking sector. Therefore, this study will examine the relationship between brand loyalty and brand equity in the banking sector.

Brand loyalty has the potential to affect brand equity. Creating brand loyalty will be able to form brand equity. This is based on the findings of research Shabbir et al., (2017) which found that there is a strong influence between brand loyalty and brand equity. This can happen because brand loyalty is one of the dimensions of brand equity that has the greatest influence on brand equity. In addition, referring to other studies Grant et al., (2014) found the same thing, where brand loyalty has a significant influence on brand equity. Likewise with research from Alhaddad, (2014) which found that brand loyalty has a positive influence on brand equity. Referring to previous research, the potential relationship between brand loyalty and brand equity can occur and can be investigated in the banking sector. So, this study formulates the following hypothesis:

H1 : Brand loyalty has significant influence on brand equity.

2.8 Brand Trust and Brand Equity

Brand trust is an important part of a brand. This relationship can be identified by testing the effect of brand trust on brand equity. Research related to the relationship between brand trust and brand equity has been carried out by (Liao, 2015 ; Spieth et al., 2019). Conducted research on the relationship between brand trust and stated that brand trust is the main mediator of brand equity formation. Furthermore, when referring to research Spieth et al., (2019) states that brand trust can increase consumer repurchase interest which will grow brand equity. Therefore, to increase the brand equity of a brand, it is necessary to create brand equity

to support repurchase interest in its consumers banking sector. Therefore, this study will examine the relationship between brand trust and brand equity in the banking sector.

Brand trust has the potential to affect brand equity. Creating brand trust can form brand equity. This is based on research Liao, (2015) which found brand trust has a significant effect on brand equity. This can occur as a result of a great trust in a brand which can then provide added value to brand equity. In addition, research by Spieth et al., (2019) found that brand trust is the main driver of brand equity. Referring to previous research, the potential relationship between brand trust and brand equity can occur and can be investigated in the banking sector. So, this study formulates the following hypothesis:

H2 : Brand trust has significant influence on brand equity

2.9 Customer Satisfaction and Brand Equity

Creating customer satisfaction is part of the marketing strategy. This can be identified by examining the effect of customer satisfaction on brand equity. Research related to the relationship between customer satisfaction and brand equity has been carried out by (Iglesias et al., 2011; Rodríguez-López et al., 2020; Torres & Tribó, 2011). Iglesias et al., (2019) conducted a study related to the effect of customer satisfaction on brand equity in the banking sector and found that there was a relationship between customer satisfaction and brand equity. Furthermore, referring to research, Rodríguez-López et al., (2020) states that customer satisfaction is the main driver of customer-based brand equity. In another study, Torres & Tribó, (2011) stated that there is a relationship between customer satisfaction and brand equity. Referring to some of these studies, research related to the relationship between customer satisfaction and brand equity has been carried out in the non-banking sector when referring to Torres & Tribó, (2011) ; Rodríguez-López et al., (2020), and while for the banking sector has been carried out by (Iglesias et al., 2019), but was conducted in Spain. Therefore, this study will examine the relationship between customer satisfaction and brand equity in the banking sector in Indonesia.

Customer satisfaction has the potential to affect brand equity. Creating customer satisfaction will have a positive effect on brand equity. This is based on the findings of Iglesias et al., (2019) which found that customer satisfaction makes a positive contribution to brand equity. This can happen along with the increasing number of satisfied customers with a brand, will make the brand name better in the market which will make brand equity stronger. The same thing was found by Torres & Tribó, (2011) ;

Rodríguez-López et al., (2020) who found that customer satisfaction has a direct positive effect on brand equity. Referring to previous research, the potential relationship between customer satisfaction and brand equity can occur and can be applied to the banking sector in Indonesia. So, this study formulates the following hypothesis:

H3 : Customer satisfaction has significant influence on brand equity

2.10 Perceived quality and Brand loyalty

Creating perceived quality is very important in increasing customer buying interest. This can be identified by examining the effect of perceived quality on brand loyalty. Research related to the relationship of perceived quality to brand loyalty has been studied by (Alhaddad, 2015 ; Falahat et al., 2018 ; Rizwan et al., 2014). Alhaddad, (2015) states that there is a relationship between perceived quality and brand loyalty. This relationship can occur because if a brand can create good quality in its products, it will indirectly make consumers loyal to the brand. Furthermore, referring to research conducted by Falahat et al., (2018) explaining that perceived quality is related to brand loyalty. This can happen because of long-term purchases as a result of the good quality possessed by the brand which will then build brand loyalty. The same thing is also stated by Rizwan et al., (2014) which states that there is a relationship between perceived quality and brand loyalty. Referring to this research, research related to the relationship between perceived quality and brand loyalty has been carried out in the non-banking sector, but has not been carried out in the banking sector. Therefore, this study will examine the relationship between brand trust and brand equity in the banking sector.

Perceived quality has the potential to affect brand loyalty. Creating perceived quality will increase brand loyalty to customers. This is based on the findings Alhaddad, (2015) which found that perceived quality has a positive effect on brand loyalty. This can happen because of the success of the brand in building the quality of its products. In addition, another finding found by Falahat et al., (2018) which states that perceived quality affects brand loyalty which is also in line with the findings by (Rizwan et al., 2014). Referring to previous research, the potential relationship between brand trust and brand equity can occur and can be investigated in the banking sector. So, this study formulates the following hypothesis:

H4 : Perceived quality has significant influence on brand loyalty

2.11 Sensory Brand Experience and Customer Satisfaction

Brand sensory experience is very important in marketing. This can be known by examining the effect of brand sensory experience on customer

satisfaction. Khan & Fatma, (2017) explain that when a customer receives a well-presented brand experience, it will cause satisfaction in their minds. In addition, Khan & Fatma, (2017) added, customer satisfaction is a set of evaluations of the product consumption experience directly by the customer. Referring to a different study, Khan & Rahman, (2015) states that customer satisfaction is the result of brand experience. This makes the brand's sensory experience potentially affect customer satisfaction. Research related to the relationship of brand sensory experience to customer satisfaction has been carried out by Khan & Fatma, (2017); Khan & Rahman, (2015) but the research was conducted in the non-banking sector. Therefore, this research will conduct research on the banking sector.

The brand's sensory experience has the potential to influence customer satisfaction. Creating a brand experience is a way of building consumer satisfaction. This is based on the findings of Khan & Fatma, (2017) which states that consumer satisfaction can come from the experience received. The same thing is stated by Khan & Rahman, (2015) which explains that customer satisfaction is the result of the experience received by the customer. Referring to previous research, the potential relationship between brand sensory experience and customer satisfaction can occur and may be applied to the banking sector. So in this study formulate the following hypothesis:

H5 : Sensory brand experience has significant influence on customer satisfaction
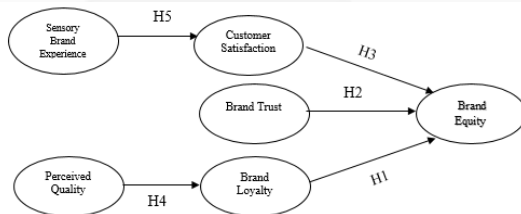
Figure 1 : research framework

3. RESEARCH METHODS

3.1 Sample and Data Collection

Participants in this survey are bank customers of Indonesian private banks. The banking services are so similar that participants were hired using a convenience sampling technique. There are many banking services, but generally the services are deposits and loans. Prior to submitting the questionnaire to the target group, the questionnaire for this survey was pretested against 45 respondents. Pre-test results have shown that the research equipment is reliable and effective. Based on the results, this study conducted the main survey.

In the main survey, this study approached the potential participants through email, social media applications, and instant messaging applications. In that approach, this study informed the participants that their responses would be treated anonymously to reduce the potential of common method variance (Podsakoff et al., 2003). For that respect, this study asked the participants to provide responses as honestly as possible and they can stop filling out the questionnaire at any parts of the survey (Podsakoff et al., 2003). Then, this study informed the participant the link to complete the questionnaire. A hundred and fifty-four banking customers of a private bank participated in the study and the data was feasible for further analysis.

3.2 Measure

This Study measured sensory brand experience using 3 items from Iglesias et al. (2019); a sample of items is "This brand makes a strong impression on my visual sense or other senses". This study used a seven-point Likert scale to measure brand trust ranging from 1 totally disagree to 7 for totally agree.

This study measured customer satisfaction using 3 items from Iglesias et al. (2019); a sample of items is "All in all, I am very satisfied with this brand". This study used a seven-point Likert scale to measure brand trust ranging from 1 totally disagree to 7 for totally agree.

This study measured brand equity using 3 item from Iglesias et al. (2019); a sample of items is "Even if another brand has the same features as this brand, I would prefer to buy this brand". This study used a seven-point Likert scale to measure brand trust ranging from 1 totally disagree to 7 for totally agree.

This study measured brand trust using 4 items from Ebrahim (2020); a sample of items is "This company is honest". This study used a seven-point Likert scale to measure brand trust ranging from 1 totally disagree to 7 for totally agree.

This study measured perceived quality using 4 items from Vukasović (2016); a sample of items is "Brand X offers very good quality products". This study used a seven-point Likert scale to measure brand trust ranging from 1 totally disagree to 7 for totally agree.

This study measured brand loyalty using 3 items from Vukasović (2016); a sample if items is "I consider myself to be loyal to brand X". This study used a seven-point Likert scale to measure brand trust ranging from 1 totally disagree to 7 for totally agree.

4. RESULT AND DISCUSSION

4.1 Sample

Table 1. Sample Characteristic

Samples	Frequency	(%)
Gender		
Female	97	63.0
Male	57	37.0
Total	154	100.0
Age		
17 - 20 years	12	7.8
21 - 24 years	101	65.6
25 - 28 years	26	16.9
29 - 32 years	9	5.8
Above 32 years	6	3.9
Total	154	100.0
Finished education		
Senior high school or lower	75	48.7
Associate degree	18	11.7
Bachelor degree	58	37.7
Master degree or higher	3	1.9
Total	154	100.0
Duration as banking customer		
Less than a year	29	18.8
1 - 3 year	70	45.5
4 - 6 year	37	24.0
Above 6 year	18	11.7
Total	154	100.0

The sample characteristics of this study appear in Table 1. As Table 1 shows, females (63%) are more dominant than males (37%). Regarding age, respondents who are 21-24 years (65.6%) are more dominant than other age groups in the following order: 25-28 years (16.9%), 17-20 years (7.8%), 29-32 years (5.8%), and lastly above 32 years (3.9%). Regarding finished education respondents who are senior high school or lower (48.7%) are more dominant than other finished education group in the following order: Associated degree (11.7%), Bachelor degree (37.7%), and lastly master degree or higher (1.9%). Regarding duration as banking customer, respondents who are 1 – 3 years (45.5%) are more dominant than other duration as banking customer group in the following order : less than a year (18.8%), 4 – 6 years (24.0%), and lastly above 6 years (11.7%).

To analyze the data, this study employed a structural equation modelling. In particular, this study used SmartPLS 3 statistical software (Ringle et al., 2015).In that analysis, this study firstly, evaluated the measurement model to ascertain that the research instrument appropriately measured the construct investigated in the current study. Secondly, this study evaluated the structural model to test the proposed framework.

4.2 Assessment of the measurement model

Following Hair et al. (2019), this study assess the measurement model by firstly, evaluate the indicator loadings. According to Hair et al. (2019), the indicator loadings should be greater than 0.708. Table 2 shows all of the indicator loadings are greater than the minimum value, showing an acceptable item reliability. Secondly, this study evaluated internal consistency reliability using the criteria that the composite reliability (CR) values are between 0.70 and 0.95 (Hair et al., 2019). Table 2 shows that all of the

CR values meet the criteria, indicating an adequate level of internal consistency reliability. Thirdly, this study evaluated convergent and discriminant validity. To evaluate convergent validity, this study used the criteria of Average Variance Extracted (AVE) values of at least 0.50 (Hair et al., 2019). Table 2 shows all of the AVE values are greater than 0.50, showing an acceptable level of convergent validity. To evaluate discriminant validity, this study used the Fornell-Larcker criterion that discriminant validity can be established when the square root of each construct's AVE is greater than its correlation with another construct (Fornell & Larcker, 1981). Table 3 shows the square root of each construct's AVE is greater than its correlation with another construct, providing support for discriminant validity. As the results of the measurement model show the research instrument represent the construct of interest, this study then assessed the structural model.

Table 2. Reliability and convergent validity

Variable	Codes	Items	Loading	t-values	Cronbach's Alpha	CR	AVE
Sensory Brand Experience	SBE 1	BCA makes a strong impression on my visual sense or other senses	0.898	52.248	0.878	0.925	0.804
	SBE 2	I find BCA interesting in a sensory way.	0.855	33.432			
	SBE 3	BCA appeals to my senses	0.936	72.771			
Customer Satisfaction	CS1	All in all, I am very satisfied with BCA	0.891	36.330	0.868	0.919	0.790
	CS2	The touch-points with BCA meet my expectations of the ideal touch-points with this type of brands.	0.887	34.430			
	CS3	The performance of BCA has fulfilled my expectations	0.889	45.667			
Brand Equity	BE1	Even if another brand has the same features as this brand, I would prefer to buy BCA	0.930	71.195	0,890	0.932	0.821
	BE2	If I have to choose among different brands offering the same type of service, I would definitely choose BCA	0.935	90.307			
	BE3	Even if another brand has the same price as this brand, I would still buy BCA	0.851	15.420			
Brand Trust	BT1	BCA is honest	0.817	22.980	0.899	0.930	0.768
	BT2	BCA works for my happiness	0.902	53.987			
	BT3	BCA works hard to satisfy me	0.881	40.220			
	BT4	BCA promises are real	0.903	47.665			
Perceived Quality	PQ1	BCA offers very good quality products	0.903	37.233	0.926	0.948	0.819
	PQ2	BCA offers products of consistent quality	0.917	53.589			
	PQ3	BCA offers very reliable products	0.918	55.867			
	PQ4	BCA offers products with excellent features	0.882	33.952			

	BL1	I consider myself to be loyal to BCA	0.904	59.439			
Brand Loyalty	BL2	BCA would be my first choice when considering banking service	0.885	39.394	0.876	0.923	0.801
	BL3	I will not buy another brand If BCA in available	0.895	41.291			

Table 3. Discriminant Validity (square root of the AVEs in diagonal)

	1	2	3	4	5	6
Brand Equity	0.906					
Brand Loyalty	0.802	0.895				
Brand Trust	0.802	0.824	0.876			
Customer Satisfaction	0.719	0.722	0.781	0.889		
Perceived Quality	0.797	0.767	0.819	0.772	0,905	
Sensory Brand Experience	0.755	0.738	0.838	0.774	0,749	0,897

4.3 Structural path result

The results of the structural assessment appear in Figure 2 and Table 4. As Figure 2 and Table 4 show, four out of five hypotheses were supported. Brand loyalty has a significant influence on brand equity (0.400, $p < 0.01$); thus, the result supports H1. Brand trust has a significant influence on brand equity (0.348, $p < 0.01$); thus, the result supports H2. Customer satisfaction has not a significant influence on brand equity (0.158, $p > 0.10$); thus, the result does not support H3. Perceived quality has a significant influence on brand loyalty (0.767, $p < 0.01$); thus, the result supports H4. Brand sensory experience has a significant influence on customer satisfaction (0.774, $p < 0.01$); thus, the result supports H5.
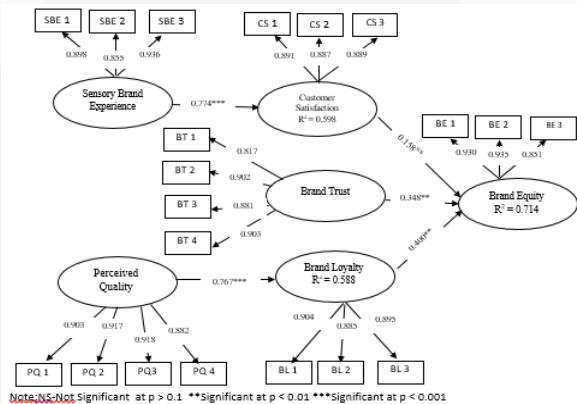

Figure 2. The result of the structural model assessment

Table 4. Structural path results

Hypothesis	Relationship	Path coefficient	t-value	P - value	Conclusion
H1	Brand Loyalty → Brand Equity	0.400	3.056	0.002	Supported
H2	Brand Trust → Brand Equity	0.348	2.957	0.003	Supported
H3	Customer Satisfaction → Brand Equity	0.158	1.639	0.101	Not supported
H4	Perceived Quality → Brand Loyalty	0.767	18.328	0.000	Supported
H5	Sensory Brand Experience → Customer Satisfaction	0.774	20.796	0.000	Supported

4.4 Discussions and implication

This study found customer satisfaction has not significant influence on brand equity. This finding is not consistent with the finding of (Rodríguez-López et al., 2020). Further, the finding of the current study is not consistent with the finding of (Torres & Tribó, 2011). The inconsistency of the findings indicates that customer satisfaction is not one of the indicators that can affect brand equity in the current study. This can happen because it is possible that customers have not felt pleasure when using the brand. In addition, it may be due to the limited sample in the current study, which causes the accuracy of the answers to be less accurate

This study found sensory brand experience has a significant influence on customer satisfaction. This finding is consistent with the finding of (Khan & Fatma, 2017). Further, the finding of the current study is consistent with the finding of (Khan & Rahman, 2015). The consistency of the findings suggest that sensory brand experience is an important driver of customer satisfaction. The finding of this study on the significant influence of sensory brand experience on customer satisfaction suggest that bank need to increase their customer satisfaction such as through need to understanding the customer of the bank in order to increase customer satisfaction.

This study found brand trust has a significant influence on brand equity. This finding is consistent with the finding of (Liao, 2015). Further, the finding of the current study is consistent with the finding of (Spieth et al., 2019). The consistency of the findings suggest that brand trust is an important driver of brand equity. The finding of this study on the significant influence of brand trust on brand equity suggest that bank need to increase their brand equity such as through optimizing customer experience of the bank in order to increase brand equity.

This study found perceived quality has a significant influence on brand loyalty. This finding is consistent with the finding of (Alhaddad, 2015). Further, the finding of the current study is consistent with the finding of (Falahat et al., 2018). Next, the finding of the current study is consistent with the

finding of (Rizwan et al., 2014). The consistency of the findings suggest that perceived quality is an important driver of brand loyalty. The finding of this study on the significant influence of perceived quality on brand loyalty suggest that bank need to increase their brand loyalty such as through maintained consistent branding of the bank brand in order to increase brand loyalty.

This study found brand loyalty has a significant influence on brand equity. This finding is consistent with the finding of (Shabbir et al., 2017). Further, the finding of the current study is consistent with the finding of (Grant et al., 2014). Next, the finding of the current study is consistent with the finding of (Alhaddad, 2014). The consistency of the findings suggest that perceived quality is an important driver of brand equity. The finding of this study on the significant influence of brand loyalty on brand equity suggest that bank need to increase their brand equity such as through build brand recognition of the bank in order to increase brand equity.

5. LIMITATIONS AND SUGGESTION FOR FUTURE RESEARCH

This study has determined the factors influencing brand equity which contribute to the literature on branding. However, this study has some limitations which suggest future research. This study focuses on the factors influencing brand equity in the context of banking. In particular, this study focuses on a private-owned bank in Indonesia. This focus may limit the generalization of the findings. To advance the understanding of brand equity, future research may investigate the factors influencing brand equity in non-banking context and with larger banking customers' base. Next, this study has included brand sensory experience which this study found influences customer satisfaction. However, this study did not qualitatively explore the banking customers' sensory brand experiences. Future studies may qualitatively explore the experiences to advance the understanding of sensory brand experiences.

AUTHORS' CONTRIBUTIONS

I Made Gde Pasek Bagiartana collected the data and reviewed the literature. Burhanudin did the study conception, study design, data analysis, drafted, and finalized the paper.

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