

# BRAND EQUITY, OFFERING EQUITY, AND RELATIONSHIP EQUITY (BOR) INFLUENCE TOWARD CUSTOMER LOYALTY OF LOMBOK PARADISE PEARL PRODUCT

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## ABSTRACT

The research was conducted with the aim of proving the influence of Brand Equity, Offering Equity, and Relationship Equity on Customer Loyalty for Mutiara Lombok Paradise Products, with a sample of 104 samples. The method in this paper is non-probability sampling and the samples are randomly selected by means of simple random sampling. The primary data used in this research is primary funds. This study has a hypothesis, namely Brand Equity, Offering Equity, and Relationship Equity on Customer Loyalty for Mutiara Lombok Paradise Products. Data was collected with the help of a questionnaire with a differential semantic scale for the dependent variable and a binary scale for the independent variable. The research results were analyzed using the SPSS (Statistical Program for Social Science) method. The study found that (1) Brand Equity has a significant effect on customer loyalty (2) Offering Equity has a significant effect on customer loyalty (3) Relationship equity has a significant effect on customer loyalty (4) Brand equity, Offering Equity, and Relationship equity both have an effect significant effect on customer loyalty.

## INTRODUCTION

Internet usage activities that are currently occurring frequently are online transaction activities as stated by the Indonesian Internet Service Association that as many as 79% of 7,568 respondents access the internet for online transactions. The activity of using the internet has also caused digital-based trading businesses to become one of the favorites for business people as evidenced by Kominfo data. [Kominfo \(2021\)](#) states that this digital-based trading business is even projected to grow 33.2% from 2020 which reached IDR 253 trillion to IDR 337 trillion in 2021.

This modern lifestyle trend that relies on the internet makes it very easy for individuals to obtain information, especially regarding product attributes, prices, etc., so that competition in the business world experiences intense competition. This causes business people who sell various kinds of commodity products to compete to do something so that customers are interested in the products being sold, are loyal, and don't go to other brands.

One of the commodity products that is currently being developed and traded is the product of pearl cultivation. According to the Ministry of Maritime Affairs and Fisheries (2021), apart from having high economic value, pearl farming has a cultivation concept that is more pro-environmental compared to other marine aquaculture, so it is compatible with the aquaculture program with a blue economy approach that is being carried out by the Ministry of Maritime Affairs and Fisheries. In addition, KKP (2021) also noted that Indonesian pearls recorded a value of US\$ 40,325,000 or an average increase of 7.47% since 2015, with total exports in

2020 of 6,286 kg with the export destination countries for Indonesian shellfish being Malaysia, Thailand, USA, East Asia, and Canada.

Pearl cultivation products are sold both offline and online in the form of beads and jewelry, such as bracelets, rings, earrings, necklaces, prayer beads, brooches and mask connectors. One of the companies that focus on trading the results of pearl cultivation by utilizing the internet or online marketplace is the Mutiara Lombok Paradise brand from PT Nusantara Multi Jaya. Mutiara Lombok Paradise was founded in 2018 with a deed of establishment in the Bogor area as a marketing office center and production area in Mataram, Lombok.

Mutiara Lombok Paradise is marketed online using a network of resellers and dropshippers in various regions in Indonesia. Currently, Lombok Paradise has 150 groups WhatsApp for product marketing with a total of 9,867 active and passive dropshipper reseller members as of November 1 2022.

Apart from going through the whatsapp group, Lombok Paradise also uses a web portal to assist dropshipper resellers in marketing pearl products. The web portal consists of the names of the personal online shops of each reseller-dropshipper who have officially registered with Lombok Paradise. The web portal also consists of catalogs, descriptions and prices for each product that can be shared by each reseller-dropshipper to various platforms and social media. Other things that Lombok Paradise does to be able to reach a wider market and maintain customer loyalty, namely using the services of influencers to promote products, using Facebook advertising to recruit dropshipper resellers from various regions in Indonesia.

In addition to this, Lombok Paradise also frees resellers and dropshippers to market these pearl products to various lines, such as market places, e-commerce, and others. Then, from the product side, Lombok Paradise also allows customers to make requests as desired, for example customers can choose the color of the pearl, the size of the pearl, and the size of the bracelet-ring-necklace jewelry.

Various efforts have been made by the Mutiara Lombok Paradise brand to gain customer loyalty. On the other hand, online business problems at Mutiara Lombok Paradise are still occurring, such as complaints from the offering equity side that some customers say Mutiara Lombok Paradise has an expensive price. In addition, there were also complaints from the product side because the sizes requested by customers were sometimes not appropriate so that the product was too big or too small or there was a difference in the color of the pearls from what the customer ordered and those produced by the Lombok Paradise team. Furthermore, complaints arose about the product after using it for a while because there was a miss between the reseller-dropshipper and the customer, so that the customer did not get proper pearl care education.

The problem that arises from the side of brand equity is that the promotion carried out by Lombok Paradise does not run smoothly, such as there is a disturbance in the advertisement served by Lombok Paradise on the Facebook ads or Instagram ads platform, so that the ad cannot run and the process of sending promotional information to customers is hampered.

Lombok Paradise currently still uses admin staff who manually handle the entire process of marketing activities, including questions and answers, transactions, and education, so that the admin tasks and functions in this business become too many. Therefore, Lombok Paradise has problems in terms of relationship equity, namely there is a delay in the admin's response to incoming chats from reseller-dropshippers, both for asking stock, catalogs, and processing transactions, so that the reseller-dropshipper response to customers becomes slow and causes complaints. or failed transaction. Apart from these problems, Lombok Paradise also has problems with the location, namely all forms of good educational activities, transactions are still focused on WhatsApp features.

Based on the problems above, [Ilhamuddin et al. \(2018\)](#) found different things, namely opportunities from the pearl business still exist, including buying interest from customers as a style, government support to introduce products through exhibitions, there has been an increase in demand in recent years, support from tourist attraction destinations, and preservation of sea pearls continues to grow . Existing opportunities can be exploited by Lombok Paradise in building customer loyalty. According to [Yadav and Rahman \(2018\)](#), Loyalty is considered as one of the main focuses of marketing.

Previous studies have shown that loyalty provides many benefits for marketers. [Tran and Strutton \(2020\)](#) mentioned that some of the benefits derived from achieving customer loyalty, namely the occurrence of repeat orders, fewer brand changes, lower marketing costs, opportunities to increase revenue by asking loyal customers to buy more, and the opportunity to send information by word of mouth from loyal customers, because loyal customers will be more willing to engage to recommend products (in person or through e-

channels).The aims of this study were: (1) to determine the effect of offering equity on online customer loyalty for Lombok Paradise pearl products, (2) to determine the effect of brand equity on customer loyalty for Lombok Paradise pearl products, and (3) to determine the effect of relationship equity on product loyalty for Lombok Paradise pearl products.

### Previous Research

Below are some previous studies that researchers used to find inspiration and find comparisons between variables and results that are relevant to the themes studied. Some of these references include:

**Table 1. Previous Research**

No	Title and Author/Year	Variable	Research result
1	The role of customer delight and customer equity for loyalty in upscale hotels (Lee & Park, 2019).	X1 = Customer Experience X2 = Customer Delight X3 = Customer Equity Y1 = Customer Loyalty	Customer Equity (offering equity, brand equity, relationship equity) has a significant positive effect on customer loyalty.
2.	The Effect of Customer Equity Drivers on Word-of-Mouth Behavior with Mediating Role of Customer Loyalty and Purchase Intention (Liu et al., 2020).	X1 = offering Equity X2 = Brand Equity X3 = Relationship Equity Y = Customer Loyalty	offering equity, brand equity, relationship equity have a significant positive effect on customer loyalty
3	Sustainable growth for the self-employed in the retail industry based on customer equity, customer satisfaction and loyalty (Kim et al., 2020).	X1 = Offering Equity X2 = Brand Equity X3 = Relationship Equity Y1 = Customer Loyalty Yes = Customer Satisfaction	offering equity, brand equity has a significant positive effect on customer loyalty. Relationship equity has no significant positive effect on customer loyalty.

### Relations Between Variables

#### The relationship between offering equity and customer loyalty

According to Zhang (2010), customer loyalty heavily influenced by offering equity. This is because offering equity increases customer loyalty intentions by influencing switching tendencies (Zeithaml et al., 2001). This is confirmed by the research of Ou et al. (2014) who found that there is a positive relationship between customer equity drivers and customer loyalty in which there is offering equity in various service sectors around the world. The positive relationship between offering equity and customer loyalty previously received support from several empirical studies (Dwivedi et al., 2012).

H1 : offering equity has a positive and significant effect on customer loyalty

#### Relationship between brand equity and customer loyalty

Positive relationship between brand equity and customer loyalty show strong results that brand association and brand image is a determinant for the formation of customer loyalty (Liu et al., 2020). Brand equity is likely to influence a customer's willingness to stay and the likelihood of recommending a brand (Zeithaml et al., 2001). Chung et al. (2020) found that brand equity has a significant positive relationship with loyalty.

According to Karat et al. (2000), brand equity has a tendency to influence customers' willingness to stay, presumptions to repurchase, and presumptions to recommend brands. Brand equity can always be considered as one of the most important drivers of customer loyalty (Kotler & Keller, 2021). Brand equity plays an important role in attracting customers and enabling them to evaluate the brand, helping customers to keep coming back and keep the brand constantly in their minds through the brand-consumer relationship at an emotional level (Yagüe & Romero, 2016). Zhang (2010) found that brand equity is more important for building loyalty, and that such loyalty will not lead customers to buy elsewhere.

H2 : brand equity has a positive and significant effect on customer loyalty

### **Relationship between relationship equity on customer loyalty**

Relationship equity is a key link between customers and organizations, promoting relationship adherence and customer retention (Elmetwaly et al., 2021). Customer relationships with companies can be developed through attention to customer loyalty programs, developing customers' emotional involvement with organizations, and positive treatment with them (Ying-hao & Chun, 2016). Usually a loyalty program under the control of the company can increase the equity of the relationship (Zhang et al., 2010). Brand equity and relationships are key values for developing casino industry loyalty (Wong, 2013).

Large brand equity and value equity have not been able to retain customers, instead companies need to invest in relationship equity to retain customers (Richards and Jones, 2008). In this competitive economy, where there is a significant shift from goods to services and from transactions to relationships, relationship equity is very important, especially when product benefits affect customer equity especially in the context of B2B activities related to corporate loyalty programs (Vogel et al., 2008). Raimondo et al. (2008) found that in highly competitive and transparent situations, relationship equity is a relevant determinant of customer loyalty and its effect increases with relationship age.

H3 : relationship equity has a positive and significant effect on customer loyalty

### **Relationship between offering equity, brand equity, and relationship on customer loyalty**

Liu et al. (2015) state that companies must understand the needs of their customers, identify the most valued customers, adjust their marketing strategies, retain valuable customers, and maximize customer loyalty. Related to this, Liu et al. (2015) found that equity-based customer loyalty is simultaneously influenced by brand equity, then by relationship equity, and then offering equity. Another study came from Zhang et. Al (2010) entitled "The Influences of Customer Equity Drivers on Customer Equity and Loyalty in the Sports Shoe Industry: Comparing Korea and China" also found that all offering equity, relationship equity, and brand equity have a positive effect on customer loyalty. The same thing was also discovered by Lee and Park (2019) that equity (brand equity, offering equity, and relationship equity) has a positive impact on loyalty. Lee and Park (2019) also added that customer equity (brand equity, offering equity, and relationship equity) can be more accurate and appropriate for loyalty formation compared to customer satisfaction

H4 : offering equity, brand equity, and relationship equity together have a positive and significant effect on customer loyalty

### **Research Hypothesis**

Hypothesis is a statement about the phenomenon being researched and proven to be true. According to Sugiyono (2010), the hypothesis is a temporary argument against the formulation of the research problem, then the research problem formulation is usually arranged in the form of question sentences. The hypothesis is based on theory and results from previous studies that are relevant to the variable being studied. That is, the statement on the hypothesis has not been based on facts and empirical results obtained from the data collected and analyzed based on the variables studied. Based on the conceptual framework above, the hypotheses proposed in this study are:

H1 : Offering equity has a positive and significant effect on customer loyalty

H2 : Brand equity has a positive and significant effect on customer loyalty

H3 : Relationship equity has a positive and significant effect on customer loyalty

H4 : Brand equity, offering equity, and relationship equity simultanly have positive significant effect on customer loyalty

### **METHODS**

The research design used was a cross sectional study. Cross sectional study is research conducted at a certain time and place (Farida et al., 2013). The type of data in this study is primary data including offering equity, brand equity, relationship equity, and customer loyalty. The primary data was collected by filling out a questionnaire using the Google form which was carried out by the sample. The offering equity, brand equity, and relationship equity questionnaires were modified from Yadav and Rahman (2018).

Offering equity, brand equity, and relationship equity variables use a differential semantic scale. The differential semantic scale is a scale that is used when the form of the answer is not multiple choice or checklist

but is composed of a continuous line for measuring attitudes where very negative answers are located on the left of the line and very positive answers are located on the right of the line or can be reversed (Sumanto, 2014). Meanwhile, the customer loyalty variable uses a binary scale, which is the scale used when there are only 2 possible variables response. This study also collects literature, books, data from previous research, and literature as secondary data to support the primary data information that has been obtained.

**Measurement Variables**

This study includes two variables, namely the dependent variable and the independent variable. The dimensions used as benchmarks between the independent variables Relationship Equity (X1), Brand Equity (X2), Offering Equity (X3) and the dependent variable Customer Loyalty (Y) are as follows:

**Table 2. Variables, dimensions, indicators, and units of measurement**

No	Variables	Dimensions	Indicator	Unit	Questionnaire
1	Offering Equity (X1)	Product Yadav and Rahman (2018)	Quality	Differential semantics	OE1
			Service		OE2
			Choice		OE3
			Price suitability		OE3
			Competitive price		OE4
			Discounts		OE5
			Ease of transaction		OE6
			Ease of payment		OE7
2	Brand Equity (X2)	Process Yadav and Rahman (2018)	Ease of obtaining information	Differential semantics	OE8
			Promotion		BE1
			Physical Evidence		BE2
			Fill in the promotional message		BE3
			Promotions can be achieved anywhere		BE4
			Promo according to reality		BE5
			Attractive appearance of social media and websites		BE6
			Logo catalogs and certificates		BE7
3	Relationship Equity (X3)	Physical Evidence Yadav and Rahman (2018)	Neat appearance of social media and websites	Differential semantics	BE7
			People		RE1
3	Relationship Equity (X3)	Place Yadav and Rahman (2018)	Service ability	Differential semantics	RE2
			Guiding potential customers to transact		RE3
4	Customer Loyalty (Y)	Second purchased	Hospitality in serving	Binaries	RE4
			Can transact anywhere		RE5
			Access to social media		RE6
			Delivery area coverage		RE7
			Lombok Paradise exists in many areas in Indonesia		L1
			Second purchased		
			Not second purchased		

**Validity and Reliability Test**

Test the validity and reliability of the instrument before analyzing the research data. Testing this research instrument using test SPSS assistance which aims to test the feasibility of the questionnaire material, so that there are no question items that are poorly understood by the sample. A measurement instrument can be said to be valid (legitimate) when the instrument is able to reveal something to be measured by the researcher (Santoso, 2006).

**Data Processing and Analysis**

The collected research data will be processed through several stages including coding, sorting, data entry, data cleaning, data processing, and data analysis using Microsoft Excel and Statistical Product and Service Solution (SPSS). After the above process is done, the data is processed again with descriptive analysis and inferential analysis.



### **Descriptive Analysis**

Descriptive analysis aims to describe the data, in order to provide a description regarding the examples in the study obtained from the questionnaire. Descriptive statistics are statistics that are used to analyze data by describing or describing the data that has been collected as it is without intending to draw conclusions applicable to the general or generalization (Sugiyono, 2015). This descriptive analysis consists of distribution frequency, frequency percentage, index score, and average index score. The index calculation can be formulated as follows:

$$((\%F1 \times 1) + (\%F2 \times 2) + (\%F3 \times 3) + (\%F4 \times 4) + (\%F5 \times 5) + (\%F6 \times 6) + (\%F7 \times 7)) / 7$$

With Description:

- F1 is the frequency of respondents who answered 1
- F2 is the frequency of respondents who answered 2
- F3 is the frequency of respondents who answered 3
- F4 is the frequency of respondents who answered 4
- F5 is the frequency of respondents who answered 5
- F6 is the frequency of respondents who answered 6
- F7 is the frequency of respondents who answered 7

Cut off for descriptive analysis this, namely: low: index score <60; (2) moderate: index score 60-80; high: index score > 80. This is based on Arikunto (2011) which states that after the calculation results are obtained, the variable performance is classified using the Bacal method:

- 80% - 100% = Very Good or very High
- 0% - 79% = Good or High
- 60% - 69% = Fairly Good or Moderate
- 50% - 59% = Not Good or Low
- <50% = Very Poor or Very Low

### **Statistical analysis**

The statistical analysis of this study is the binary logistic regression test. Analysis with binary logistic regression test aims to see the effect of offering equity, brand equity, and relationship equity variables on customer loyalty at Mutiara Lombok Paradise. This study analyzes the influence of these variables on customer loyalty based on the influence of each indicator in the variable totaling 23 indicators which will be explained in the binary logistic regression equation.

Before the analysis phase enters binary logistic regression, the data must meet four tests consisting of assessing the entire model (Overall Model Test), testing the feasibility of the regression model (Goodness Fit Test), the coefficient of determination, and the classification matrix with the following criteria:

**Overall model test:** initial -2 log likelihood value > of final -2 log likelihood value. This means that the binary logistic regression model will be better

**Goodness fit test:** probability value (P-value)  $\leq$  0.05 (significant standard), then the model is not fit, because it cannot be used to predict the observed value. Conversely, the probability value (P-value)  $\geq$  0.05 (significant standard), then the model is fit, because it can be used to predict the observed value.

**Coefficients of determination:** based on Nagelkerke R Square value to find out the diversity of the independent variable values that are distributed in relation to explaining the dependent variable can be

**Classification matrix:** aims to find out how well the regression model can group events. This is done by looking at the overall percentage value in SPSS and the distribution of values in each independent variable binary category.

Logistic regression is a method that can estimate or predict a dependent variable when the set of variables is independent, so that the dependent variable is categorical. According to Kotimah and Wulandari (2014) the response variable y consists of two categories, namely success and failure, with y=1 (success) and y=0 (failure). The binary logistic regression test has the following figure:

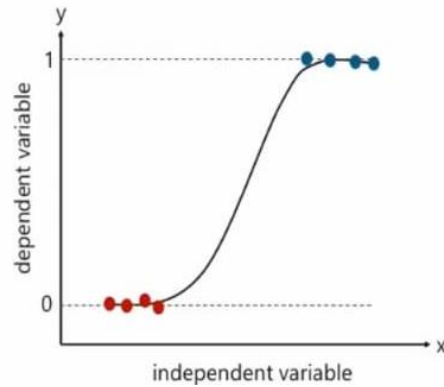


Figure 1. graph of the dependent and independent variables

Based on the picture above, it can be explained as follows:

1. Dependent variable (Y): a response binary variable that stores a value such as 0 or 1, Yes or No, A or B.
2. Independent variable (X): The predictor variable to predict the response variable.

The binary logistic regression test has the link function as follows:

$$\text{Log} \left( \frac{Y}{1-Y} \right) = C + B_1X_1 + B_2X_2 + B_3X_3 + \dots$$

Notes:

- Y is the probability of the predicted event
- X1, X2, X3 are independent variables that determine the occurrence of an event Y
- C is a constant of the probability of the event occurring when no other factors are considered

Based on this formulation, the formula for binary logistic regression is derived as follows:

$$Y = \frac{1}{1 + \exp(C + B_1X_1 + B_2X_2 + B_3X_3 + \dots)}$$

Note:

Y	= customer loyalty (Binary)	X13	= promo according to reality
X1	= product quality	X14	= display of social media and interesting website
X2	= service	X15	= catalogs and certificates logo
X3	= choice	X16	= display of social media and neat website
X4	= price match	X17	= ability to serve
X5	= competitive prices	X18	= guide transactions
X6	= discounted price	X19	= hospitality serves
X7	= ease of transaction	X20	= can transaction anywhere
X8	= ease of payment	X21	= access to social media
X9	= ease of obtaining information	X22	= delivery area coverage
X10	= attractive promotions	X23	= Lombok Paradise is in many areas in Indonesia
X11	= contents of promotional messages		
X12	= promotions can be achieved anywhere		
C	= Constant		
B	= Regression parameters		

## RESULTS

### Descriptive Analysis

Descriptive analysis is useful for giving an overview regarding the data that has been collected during the research, which is based on the respondent's index value when answering the proposed statement items. Based on the data obtained from distributing the questionnaires, the offering equity variable which contains 9 question points is stated in Table 3.

**Table 3. distribution of respondents' answers to variable offering equity**

Offering Equity	1		2		3		4		index
	F	%	F	%	F	%	F	%	
OE1	0	0	2	1.9	6	5.8	19	18.3	75.4
OE2	0	0	0	0	9	8.7	17	6.3	79.9
OE3	0	0	4	3.9	13	12.5	14	13.5	76.3
OE4	0	0	0	0	4	3.9	18	17.3	80.9
OE5	0	0	0	0	5	4.8	19	18.2	80.7
OE6	1	1	1	1	4	3.8	26	25	75.1
OE7	0	0	1	1	5	4.8	30	28.8	77.0
OE8	0	0	2	1.9	5	4.8	34	32.7	76.3
OE9	0	0	1	1	4	3.8	22	21.2	78.4
								Min value	75.1
								Min value	80.9
								Average total index	77.8

(continued distribution of answers to variable brand equity points 5,6, and 7)

Offering Equity	5		6		7		Index
	F	%	F	%	F	%	
OE1	22	21	30	28.9	20	19.2	75.4
OE2	26	25	30	28.9	22	21.1	79.9
OE3	26	25	28	27.0	19	18.3	76.3
OE4	27	26	38	36.5	17	16.3	80.9
OE5	23	22.1	40	38.5	17	16.3	80.7
OE6	37	35.6	23	22.1	12	11.5	75.1
OE7	18	17.3	38	36.5	12	11.5	77.0
OE8	12	11.5	38	36.5	13	12.5	76.3
OE9	32	30.1	28	27.0	17	16.3	78.4

The data above provides an explanation that the highest index value is the offering equity variable, which is found in OE4 of 80.9 and the lowest index value is OE6 of 75.1. The average index value of this variable is 77.8. Therefore, the conclusion from the data is that the index value obtained is in the high category. In addition to the distribution of data from the offering equity variable, this study also describes the distribution of data from the branding equity variable which totals 7 question points. The distribution of the data can be seen in the table below:

**Table 4. distribution of respondents' answers to variable brand equity**

Branding Equity	1		2		3		4		index
	F	%	F	%	F	%	F	%	
BE1	0	0	2	1.9	1	1	27	26.0	78.6
BE2	0	0	2	1.9	5	4.8	28	7.0	76.4
BE3	1	1	1	1	5	4.8	14	13.6	80.4
BE4	1	1	3	2.9	11	10.6	11	10.6	77.4
BE5	0	0	1	1	1	1	26	25	77.9
BE6	0	0	0	0	3	2.9	18	17.3	83.4
BE7	0	0	0	0	2	1.9	17	16.4	80.4
								Highest index value	83.4
								The lowest index value	76.4
								Average total index	79.2

(continued distribution of answers to variable brand equity points 5,6, and 7)

Brand Equity	5		6		7		Index
	F	%	F	%	F	%	
BE1	23	22.1	37	35.6	14	13.5	78.6
BE2	21	20.2	37	35.6	11	10.6	76.4
BE3	25	24	42	40.4	16	15.4	80.4
BE4	26	25	29	27.9	22	21.1	77.4
BE5	35	33.7	26	25	15	14.4	77.9
BE6	18	17.3	42	40.4	23	22.1	83.4
BE7	41	39.4	24	23	20	19.2	80.4

Based on the table above, the highest index value on the brand equity variable is found in BE6 of 83.4 and the lowest index value is BE2 of 76.4. The average index value for this variable is 79.2. This concludes



that the index value is in the high category. The next variable of this research is relationship equity. The relationship equity variable has 7 question points with the distribution of data from the respondents' answers shown as follows:

**Table 5. distribution of respondents' answers variable relationship equity**

Relationship Equity	1		2		3		4		index
	F	%	F	%	F	%	F	%	
RE1	0	0	1	1	5	4.8	42	40.4	74.9
RE2	0	0	0	0	9	8.7	13	12.5	77.7
RE3	0	0	1	1	1	1	27	26.0	81.1
RE4	0	0	0	0	4	3.8	27	26	80.6
RE5	0	0	8	7.7	4	3.8	20	19.2	75.9
RE6	0	0	4	3.8	3	2.9	33	31.8	77.0
RE7	1	1	0	0	0	0	33	31.8	79.9
							Highest index value		81.1
							The lowest index value		74.9
							Average total index		78.1

(continued distribution of answers to variable relationship equity points 5,6, and 7)

Relationship Equity	5		6		7		Index
	F	%	F	%	F	%	
RE1	12	11.5	29	27.9	15	14.4	74.9
RE2	40	38.5	29	27.8	13	12.5	77.7
RE3	14	13.5	42	40.4	19	18.3	81.1
RE4	22	21.1	23	22.1	28	27	80.6
RE5	24	23.0	33	31.8	15	14.4	75.9
RE6	14	13.5	30	28.9	20	19.2	77.0
RE7	12	11.5	40	38.5	18	17.3	79.9

The highest index value in the table of distribution of answers to the relationship equity variable is found in RE3 of 81.1 and the lowest index value is RE1 of 74.9. The average index value for this variable is 78.1. This concludes that the index value is in the high category. In addition to the dependent variables above, this study also presents an overview of the distribution of data from respondents' answers on the independent variable, namely loyalty, which amounts to one question point. It is described as follows:

**Table 6. distribution of respondents' answers to the loyalty variable (Y)**

Loyalty	Yes (1.00)		No (0.00)	
	F	%	F	%
L1	86	82.7	18	17.3

The table above illustrates that respondents who will buy Lombok Paradise pearls again have a greater number than respondents who will not make a purchase. This is stated in the table that the number of respondents who would buy Lombok Paradise pearls was 86 people (82.7%) and those who would not buy back were 18 people (17.3%).

### Research Instrument Test

Before conducting a binary logistic regression statistical test, the research instrument must first go through the validity and reliability testing process using SPSS. The measurement instrument is said to be valid (legitimate) if the questions on the instrument are able to reveal something to be measured by the researcher (Santoso, 2006). After all the statement items are said to be valid, then the reliability test is then carried out. Reliability is the similarity of measurement or observation results when the fact was measured or observed many times at different times.

### Validity Test

The validity test of this research instrument looks at the correlation of each variable, looks at the significance level (sig-2 tailed) or  $p < 0.01$ , and looks at the r-table (valid if r results  $>$  r table). The results of the research instrument validity test are as follows:

**Table 7. Validity Test Results**

		correlations		
		OFFERING_EQ UITY	BRAND_EQUIT Y	RELATIONSHIP _EQUITY
OFFERING_EQUITY	Pearson Correlation	1	.721**	.521**
	Sig. (2-tailed)		.000	.000
	N	104	104	104
BRAND_EQUITY	Pearson Correlation	.721**	1	.463**
	Sig. (2-tailed)	.000		.000
	N	104	104	104
RELATIONSHIP_EQUITY	Pearson Correlation	.521**	.463**	1
	Sig. (2-tailed)	.000	.000	
	N	104	104	104

\*\* . Correlation is significant at the 0.01 level (2-tailed).

(source: results of data processing)

Based on the picture above, the variables in the study have a positive correlation. It can be seen that the offering equity variable is correlated with the brand equity variable with a value of  $r = 0.721 >$  the value of  $r$  table = 0.249 and sig. 2-tailed=0.000 <0.01. The offering equity variable has a positive correlation with the equity relationship variable with a value of  $r=0.521 >$   $r$  table=0.249 and sig. 2-tailed=0.000 < 0.01. The brand equity variable has a positive correlation with relationship equity with a value of  $r=0.463 >$   $r$  table 0.249 and sig. 2-tailed=0.000 <0.01. The relationship equity variable correlates with the brand equity variable with a value of  $r=0.463 >$   $r$  table=0.249 and a sig. 2-tailed=0.000 < 0.01. It can be concluded that the questionnaire instrument in this study is valid.

### Reliability Test

The reliability test of this study used the SPSS program by looking at Cronbach's alpha. Cronbach's alpha value of more than 0.6 ( $\alpha > 0.6$ ) indicates that the measure used is reliable and can be analyzed further (Malhotra, 2010). The results of the test can be seen in the image below:

**Table 8. Reliability Test Results**

Cronbach's Alpha	N of Items
.803	7

(Source: results of data processing)

Based on the picture above it can be seen that the Cronbach's alpha value obtained is 0.803. That is, the value is greater than 0.803, so the results obtained are reliable. This shows that research instruments provide similar results when research data is measured many times at different times.

### Statistic analysis

The statistical analysis of this research is binary logistic regression. Before the research enters the binary logistic regression test phase, the data must meet four tests, including the Overall Model Test, the Goodness Fit Test, the coefficient of determination, and the classification matrix. This is done using research data processed through Microsoft excel and Statistical Package For Social Science (SPSS) which has the following results:

#### Analysis of the Overall Model Test (Overall Model Test)

Assess the overall model (Overall Model Fit) by comparing and looking at the difference between the initial log likelihood value (block number = 0) and the final log likelihood value (block number = 1). Block number = 0, meaning that it is the model before the independent variables are entered, while Block number = 1 is the model after the independent variables are entered. When the initial -2 log likelihood value is greater than the final -2 log likelihood value, the results decrease, which means that the binary logistic regression model will get better. This is in line with Ghazali (2016) which states that a decrease in Log Likelihood indicates a better regression model. The results of the overall fit model in this study can be seen as follows:

**Table 9. Overall Model Fit Results**

-2Log initial likelihood (block number = 0)	96,865
2Log likelihood final (block number = 1)	69,574

Based on the table above, the results of the regression analysis show that the initial -2 log likelihood value (block number = 0) is 96,865. This result is greater than the final -2Log likelihood value (block number = 1), which is 69,574. Therefore, it can be seen that there is a decrease of 27,291 between the initial and final -2 log likelihoods. This gives the conclusion that the model is fit with the data, so that the regression model is getting better when the independent variable is added to the model.

**Goodness of Fit Test Analysis (Regression Model Feasibility)**

The feasibility test of the regression model of this study used Hosmer and Lemeshow's Goodness of Fit Test by looking at the chi square value of the SPSS test results. If the probability value (P-value)  $\leq 0.05$  (significant value) means that there is a significant difference between the model and the observed value, which means that the model cannot be used to predict the observed value and vice versa. The results of the research related to the regression feasibility test can be seen in the image below

**Table 10. Hosmer And Lemeshow Test Results**

step	Chi-square	df	Sig.
1	6018	8	.645

Source: results of data processing

The Hosmer and Lemeshow test results table above shows that the chi-square value obtained is 6.018 with a significance level of 0.645, meaning that the probability value (P-value)  $\geq 0.05$  (significant value), namely  $0.645 \geq 0.05$ . This means that there is no significant difference between the model and the data, so the results conclude that the regression model in the study is feasible and able to predict the observed value.

**Test Analysis of the Coefficient of Determination (Nagelkerke's R Square)**

The diversity of distributed independent variable values in relation to explaining the dependent variable can be seen from the Nagelkerke R Square value. The value of the Nagelkerke R Square is a decimal which can be converted to a percentage for easy understanding and interpretation (Ghozali, 2016).

**Table 11. Results of Nagelkerke's R Square**

step	-2 log likelihoods	Cox & Snell R Square	Nagelkerke R Square
1	46.219a	.379	.630

Source: results of data processing

The results above show a regression analysis with a coefficient of determination as seen from the Nagelkerke R Square value of 0.630. This indicates the ability of the independent variable, namely loyalty, in explaining the dependent variable, namely each indicator of offering equity, brand equity, and relationship equity, which is 63%. On the other hand, 27% is explained by variables not examined in this study.

**Classification Matrix Testing Analysis**

The classification matrix is used to find out how well the regression model can classify events. How precise is the model (Ghozali, 2016).

**Table 12. Results of Classification Matrix**

Observed	predicted		Percent Correct
	loyalty	loyalty	
Not buying Lombok Paradise pearls again	Not buying Lombok Paradise pearls again	will buy Lombok Paradise pearls again	

Step 1	loyalty	not buying Lombok Paradise pearls anymore	12	6	66.7
		will buy Lombok Paradise pearls again	3	83	96.5
Overall Percentage					91.3

Source: results of data processing

The results of the calculation matrix describe the number of respondents who did not buy 18 more Lombok Paradise pearls consisting of 12 people really didn't buy Lombok Paradise pearls anymore and those people should still be able to buy Lombok Paradise pearls again. Then, the number of respondents who will buy Lombok Paradise pearl products is 86 people consisting of 3 people who should not buy Lombok Paradise pearls anymore and 83 people who will buy Lombok Paradise pearls again. Based on the logistic regression above the overall percentage value of 91.3%, it means that this study has a model accuracy of 91.3%.

### Hypothesis Testing (Binary Logistic Regression Test)

#### Partial Test *t*

The partial test can test each independent variable, namely loyalty is able to influence the dependent variable consisting of offering equity, brand equity, and relationship equity. This can be done by determining whether the hypothesis is accepted or rejected, that is, when the p-value is  $> 0.05$ , the hypothesis ( $H_0$ ) is accepted, meaning that the independent variable does not partially affect the dependent variable. Conversely, if the p-value  $< 0.05$ , then the hypothesis ( $H_0$ ) is rejected, meaning that the independent variable partially affects the dependent variable. The results of the partial regression test are shown in the table below:

**Table 13. Binary Regression Partial Test Results**

No	Variables	Dimensions	Indicator	B	std. error	P-Value
1	Offering Equity (X1)	Product	Product quality	0.353	30,040	0.023
			Service	0.852	84,363	0.010
			Choice	0.546	71,455	0.023
		Price	Price suitability	-0.176	35,672	0.040
			Competitive price	-0.256	62,207	0.036
			Discounts	0.478	44,654	0.030
		Process	Ease of transaction	0.888	76,194	0.007
			Ease of payment	-1.5878	67,296	0.003
			Ease of obtaining information	1,034	81080	0.003
2	Brand Equity (X2)	Promotions	Interesting promotions	0.265	70,852	0.036
			Fill in the promotional message	0.272	36,757	0.043
			Promotions can be achieved anywhere	0.74	41,574	0.063
		Physical Evidence	Promo according to reality	-0.053	58,049	0.070
			Attractive appearance of social media and websites	0.227	29,634	0.036
			Logo catalogs and certificates	-0.138	37,318	0.046
3	Relationship Equity (X3)	People	Neat appearance of social media and websites	0.647	73,422	0.020
			Service ability	-0.340	86314	0.033
			Guiding potential customers to transact	-0.258	63,804	0.046
		Place	Hospitality in serving	-1,142	80022	0.003
			Can transact anywhere	-0.629	38,901	0.017
			Access to social media	0.328	51,474	0.043
			Delivery area coverage	-2,247	90,899	0.003
			Lombok Paradise exists in many areas in Indonesia	-0.028	33,464	0.066

The table above explains the effect of each indicator on the dependent variable of the study which consists of offering equity, brand equity and relationship equity. The offering equity variable has 9 indicators which can be explained as follows: (1) the product quality indicator has a p-value of  $0.023 < 0.05$  with B a positive value of 0.353, meaning that product quality has a significant positive effect on pearl Lombok Paradise customer loyalty; (2) the service indicator has a p-value of  $0.010 < 0.05$  with a positive B value of 0.852, meaning that service has a significant positive effect on pearl Lombok Paradise customer loyalty; (3) the choice

indicator has a p-value of 0.023 <0.05 with a positive B value of 0.546, meaning that choice has a significant positive effect on pearl Lombok Paradise customer loyalty; (4) the price suitability indicator has a p-value of 0.040 <0.05 with a negative B value of -0.176, meaning that price suitability has a significant negative effect on pearl Lombok Paradise customer loyalty; (5) the competitive price indicator has a p-value of 0.036 <0.05 with a negative B value of -0.256, meaning that competitive prices have a significant negative effect on pearl Lombok Paradise customer loyalty; (6) the price discount indicator has a p-value of 0.030 <0.05 with a positive B value of 0.478, meaning that price discounts have a significant positive effect on pearl Lombok Paradise customer loyalty; (7) the ease of transaction indicator has a p-value of 0.007 <0.05 with a positive B value of 0.888, meaning that ease of transaction has a significant positive effect on pearl Lombok Paradise customer loyalty; (8) the ease of payment indicator has a p-value of 0.003 <0.05 with a negative B value of -1.5878, meaning that ease of payment has a significant negative effect on pearl Lombok Paradise customer loyalty; (9) the indicator of ease of obtaining information has a p-value of 0.003 <0.05 with a positive B value of 1.034, meaning that service has a significant positive effect on pearl Lombok Paradise customer loyalty.

The results of the influence test of all indicators on the offering equity variable above indicate that all indicators have an effect on Lombok Paradise customer loyalty. It can be concluded that the variable offering equity influences customer loyalty in Lombok Paradise pearls. That is, the first hypothesis (H1) in this study is acceptable.

The brand equity variable has 7 indicators which can be explained as follows: (1) the attractive promotion indicator has a p-value of 0.036 <0.05 with a positive B value of 0.265, meaning that attractive promotions have a significant positive effect on pearl Lombok Paradise customer loyalty; (2) the promotional message content indicator has a p-value of 0.043 <0.05 with a positive B value of 0.272, meaning that the content of the promotional message has a significant positive effect on pearl Lombok customer loyalty; (3) the promo indicator can be achieved anywhere with a p-value of 0.063 <0.05 with a negative B value of 0.74, meaning that promos can be achieved anywhere with a significant negative effect on pearl Lombok Paradise customer loyalty; (4) the promo indicator according to reality has a p-value of 0.070 <0.05 with a negative B value of -0.053, meaning that the promo according to reality has a significant negative effect on pearl Lombok Paradise customer loyalty; (5) the display indicator of social media and attractive websites has a p-value of 0.036 <0.05 with a negative B value of 0.227, meaning that competitive prices have a significant positive effect on pearl Lombok Paradise customer loyalty; (6) catalog and certification indicators with a logo have a p-value of 0.046 <0.05 with a positive B value of -0.138, meaning that catalogs and websites with logos have a significant negative effect on pearl Lombok Paradise customer loyalty; (7) the display indicator of social media and neat websites has a p-value of 0.020 <0.05 with a positive B value of 0.647, meaning that the appearance of social media and neat websites has a significant positive effect on pearl Lombok Paradise customer loyalty.

The results of the influence test of all indicators on the brand equity variable above indicate that all indicators have an effect on Lombok Paradise customer loyalty. It can be concluded that the brand equity variable influences the customer loyalty of Mutiara Lombok Paradise. That is, the second hypothesis (H2) in this study can be accepted.

The relationship equity variable has 7 indicators which can be explained as follows: (1) the ability to serve indicator has a p-value of 0.033 < 0.05 with a negative B value of -0.340, meaning that the ability to serve has a significant negative effect on pearl Lombok Paradise customer loyalty; (2) the indicator guiding prospective customers to make transactions has a p-value of 0.046 <0.05 with a positive B value of -0.258, meaning that guiding prospective customers to make transactions has a significant negative effect on customer loyalty at Mutiara Lombok Paradise; (3) the indicator of friendliness in serving can be achieved anywhere has a p-value of 0.003 <0.05 with a negative B value of -1.142, meaning that friendliness in serving has a significant negative effect on customer loyalty in Mutiara Lombok Paradise; (4) the indicator of being able to transact anywhere has a p-value of 0.017 <0.05 with a negative B value of -0.629, meaning that transactions anywhere have a significant negative effect on pearl Lombok Paradise customer loyalty; (5) the indicator of access to social media has a p-value of 0.043 <0.05 with a negative B value of 0.328, meaning that access to social media has a significant positive effect on pearl Lombok Paradise customer loyalty; (6) the delivery area coverage indicator has a p-value of 0.003 <0.05 with a negative B value of -2.247, meaning that the delivery

area coverage has a significant negative effect on pearl Lombok Paradise customer loyalty; (7) the Lombok Paradise indicator exists in many regions in Indonesia with a p-value of  $0.066 < 0.05$  with a negative B value of  $-0.028$ ,

The results of the influence test of all indicators on the offering equity variable above indicate that all indicators have an effect on Lombok Paradise customer loyalty. It can be concluded that the variable offering equity influences customer loyalty in Lombok Paradise pearls. That is, the third hypothesis (H3) in this study can be accepted.

### Omnibus Tests of Model Coefficients (Overall Test/ Simultaneous Test F)

The Omnibus Tests of Model Coefficients in this study were conducted to jointly test that the customer loyalty variable is able to influence the offering equity, brand equity, and relationship equity variables. Hypothesis testing is carried out with the following criteria: (1) If the value of  $f_{count} < f_{table}$  and  $p\text{-value} > 0.05$ , then the independent variable does not affect the dependent variable; (2) If the value of  $f_{count} > f_{table}$  and  $p\text{-value} < 0.05$ , then the independent variable affects the dependent variable.

**Table 14. Omnibus Test Results**

		Chi-square	df	Sig.
Step 1	step	49,613	23	001
	blocks	49,613	23	001
	Model	49,613	23	001

Source: the results of data processing

Based on the table 14 obtained  $f_{count} > f_{table}$  ( $49,613 > 35,172$ ) with a significance level ( $0.001 < 0.05$ ), then H4 is accepted. It can be concluded that brand equity, offering equity, and relationship equity simultaneously influence customer loyalty of Lombok Paradise pearl products, so that the fourth hypothesis (H4) of the study is accepted.

### Output models

Based on the results of the research that has been described, the output results of the binary logistic regression equation model are obtained as follows:

$$Y = 1 / (1 + \exp(-(C + B_1X_1 + B_2X_2 + B_3X_3 + \dots)))$$

$$Y = 1 / (1 + \exp(-(-8.497 + 0.353X_1 + 0.852X_2 + 0.546X_3 - 0.176X_4 - 0.256X_5 + 0.478X_6 + 0.888X_7 - 1.587X_8 + 1.034X_9 + 0.265X_{10} + 0.272X_{11} + 0.74X_{12} - 0.74X_{12}X_{13} + 0.227X_{14} - 0.138X_{15} + 0.647X_{16} - 0.340X_{17} - 0.258X_{18} - 1.142X_{19} - 0.629X_{20} + 0.328X_{21} - 2.247X_{22} - 0.028X_{23})))$$

Note:

Y	= customer loyalty (Binary)	X13	= promo according to reality
X1	= product quality	X14	= display of social media and interesting website
X2	= service	X15	= catalogs and certificates logo
X3	= choice	X16	= display of social media and neat website
X4	= price match	X17	= ability to serve
X5	= competitive prices	X18	= guide transactions
X6	= discounted price	X19	= hospitality serves
X7	= ease of transaction	X20	= can transaction anywhere
X8	= ease of payment	X21	= access to social media
X9	= ease of obtaining information	X22	= delivery area coverage
X10	= attractive promotions	X23	= Lombok Paradise is in many areas in Indonesia
X11	= contents of promotional messages		
X12	= promotions can be achieved anywhere		
C	= Constant		
B	= Regression parameters		



## DISCUSSION

### The Effect of Brand Equity on Customer Loyalty in Mutiara Lombok Paradise

The results of the study show that brand equity has a significant effect on customer loyalty. This is in line with research conducted by [Heriyanto \(2017\)](#) who found that brand equity has a significant effect on customer loyalty. [Abdullah et al.'s research. \(2018\)](#) also found that brand equity has a significant effect on customer loyalty. Brand Equity can strengthen programs to attract new customers or recapture old customers. This is comparable to what [Zhang \(2010\)](#) stated who argue that brand equity is more important for building loyalty, and that such loyalty will not make customers buy elsewhere.

The effect of brand equity on customer loyalty is proven by the influence test on each indicator of each brand equity dimension consisting of promotion dimensions and physical evidence. Based on the promotion dimension, there are several things that have been done by Lombok Paradise in increasing customer loyalty. This refers to mentioning that there are 3 kinds of promotional tools that can be used, including advertising, direct selling, and sales promotion. Based on the advertising aspect, Lombok Pradise sends advertisements via Facebook ads and Instagram ads, as well as manual daily advertisements through content posted by the team. Direct selling promotion tools and sales promotion are carried out by reseller-dropshipper teams spread across various regions in Indonesia to be able to offer Lombok Paradise pearl products. When using these three promotional tools, Mutiara Lombok Paradise pays attention to several other aspects such as the attractiveness of the promo being run, the content, every customer is able to get promotional information anywhere, and promotions must match reality. This is stated in the indicators studied and provides results that have a significant effect on customer loyalty.

Attractive promotional indicators, promotional message content, and promotions that can be achieved anywhere have positive and significant results on customer loyalty, which means that the more attractive the promotion, the better the promotional content, and the easier promotional information is to obtain, the more customer loyalty will increase and the more customers interested in making a second purchase. On the other hand, the promo indicator corresponds to reality with a significant negative value for customer loyalty, meaning that the more the promo is in accordance with reality, the promo is not made excessive, the promo only describes promo information that will be given by the company without being accompanied by a combination of sentences, pictures, activities and other things. other interesting things, then customer loyalty will decrease and make customers less interested in making a second purchase. [Basu \(2010\)](#) states that promotion combines advertising, personal selling, sales promotion and publicity into an integrated program for communicating with customers.

In addition to the effect of brand equity explained by indicators on the promotion dimension, the effect of brand equity is also explained by indicators on the physical evidence dimension. Physical Evidence is a determining factor in controlling the market share desired by the company, because market control can be achieved if the company gets a good position so that it can create a corporate image for consumers ([Utami, 2016](#)). In this regard, the study found that indicators of the physical evidence dimension, namely the appearance of social media and attractive websites and the appearance of social media and neat websites have a significant positive effect on customer loyalty, meaning that the more attractive and neat the appearance of social media and websites, the more customers will loyal and interested in making a second purchase. On the other hand, indicators of catalogs and certificates with logos have a significant negative effect on customer loyalty, meaning that the presence of logos on catalogs and certificates is not enough to increase customer loyalty. However, the index of distribution of respondent data on this indicator is in the high category, which is equal to 80.4.

### Effect of Offering Equity on Customer Loyalty of Mutiara Lombok Paradise

The results of the study show that offering equity has an effect on customer loyalty. This is in line with the research of [Kim et al. \(2020\)](#) who found the same thing that offering equity has a significant effect on customer loyalty. According to [Zhang \(2010\)](#) customer loyalty heavily influenced by offering equity. This is because offering equity increases customer loyalty intentions by influencing switching tendencies.

The effect of offering equity on customer loyalty is proven by the effect test on each brand equity indicator of 9 points and all of them stated significant results. Three main drivers influence offering equity,

namely product quality, price and convenience (Zeithaml et al., 2001). This can be explained by the results of the research that on the product dimension, significant positive results were found on indicators of product quality, service, choice. This indicates that the better the quality of the product, the better the service, and the more varied the choice of Lombok Paradise pearls, the higher the loyalty.

This study also found that in one of the factors driving loyalty as described above, namely price, there are three indicators affecting loyalty. Price suitability indicators and competitive prices have a negative and significant effect on loyalty. This suggests that the more companies adjust prices and play biased price competition by changing prices, raising prices, etc., or the higher the price, the lower loyalty will be. On the other hand, the price discount indicator has a significant positive effect on customer loyalty. This indicates that the more Lombok Paradise pearls provide discounts to customers, the loyalty will increase. This is in line with Engel, Blackwell and Miniard (1996) in (Sukotjo & Radix, 2010) that price is one of the important factors for consumers in making a decision to make a transaction or not and Kotler and Armstrong (2016) added that the price indicator is an affordable price by the purchasing power of consumers, there is a match between price and quality, and competitive prices with other similar products.

The third factor driving loyalty is convenience. This can be explained through the process dimension. According to Tjiptono (2008), this process is a way for companies to carry out and control activities to meet consumer needs. This study divides the process into three indicators, namely ease of transaction, ease of payment, and ease of obtaining information. Based on the research results, ease of transaction and ease of obtaining information has a positive and significant influence on customer loyalty, meaning that the easier the process for transactions and the easier it is for customers to obtain information, the loyalty will increase and the customer will be interested in making a second purchase. On the other hand, the ease of payment indicator has a significant negative effect on customer loyalty. This indicates that the ease of payment made by Mutiara Lombok Paradise is not enough to increase customer loyalty. However, the index value on this indicator is in the high category, which is equal to 78.4, meaning that most respondents have experienced the convenience of the payment process, so that a small number of respondents can be included in the evaluation.

### **The Effect of Relationship Equity on Customer Loyalty at Mutiara Lombok Paradise**

The results showed that relationship equity has an effect on customer loyalty. This is in line with the research of Liu et al. (2020) who found that relationship equity has a significant effect on customer loyalty. The influence of relationship equity on customer loyalty is also explained by Chun et al. (2016) that customer relationships with companies can be developed through attention to customer loyalty programs, developing customer emotional involvement with the organization, and positive treatment with customers.

The effect of relationship equity on customer loyalty is proven by testing the influence of each indicator from each dimension of relationship equity, namely the dimensions of place and people which are divided into 7 indicators. The place dimension has one indicator that has a significant positive effect on customer loyalty, namely the access indicator to social media. This indicates that the easier access to Mutiara Lombok Paradise's social media, the customer loyalty will increase. There are three other indicators that have a significant negative effect, namely being able to transact anywhere, the coverage of the delivery area is wide, and Lombok Paradise is in many regions in Indonesia. This indicates that when transactions can be carried out anywhere, the scope of the delivery area is wide, and Lombok Paradise exist in many areas in Indonesia, so this has not been able to improve customer quality. However, the distribution of respondents' answers states the results that the index on this indicator is in the high category, meaning that most respondents assess or agree that currently the Lombok Paradise pearl has facilitated transactions anywhere, the delivery area coverage is wide, and Lombok Paradise is in many areas in Indonesia, so the index is high This represents the majority of respondents and some of them can be used as evaluation material.

Bahdra (2019) states that there are several dimensions of relationship equity, namely: (1) familiarity, that is, customers feel familiar; (2) good treatment of customers, meaning that customers feel treated well; (3) handling customer complaints, meaning that customers feel their complaints are being handled; (4) providing information to customers; (5) customers feel helped by the information needed in making purchasing decisions. This statement has something in common with this research, which includes it in the dimension of people which is divided into three indicators. Based on the research, it was found that the indicators of ability to serve, guide prospective customers to make transactions, and friendliness in serving have significant

negative results on customer loyalty. This concludes that the ability of the Lombok Paradise pearl team to serve and guide prospective customers, and the friendliness of the Lombok Paradise pearl team in serving has not been enough to increase customer loyalty. This is in line with [Nurmasari's research \(2013\)](#) who found that service quality has no significant value to customer loyalty, because to achieve loyalty, customers must achieve product satisfaction.

### **The Effect of Brand Equity, Offering Equity, and Relationship Equity simultaneously at Mutiara Lombok Paradise**

The results showed that brand equity, offering equity, and relationship equity simultaneously had a significant positive effect on customer loyalty. The results of the study are in line with [Lee and Park \(2019\)](#) and [Liu et al, \(2015\)](#) who found that brand equity, offering equity, and relationship equity have a significant effect on customer loyalty. [Liu et al. \(2015\)](#) state that equity-based customer loyalty is simultaneously influenced by three factors, the most influential being brand equity, followed by relationship equity, and then offering equity.

Based on the results of the research above, brand equity, offering equity, and relationship equity that has been owned by Lombok Paradise pearls illustrates the company's position in the eyes of consumers, so that the better the future performance carried out by Mutiara Lombok Paradise, it allows the company to get many loyal consumers. This can be seen from every indicator that respondents are pleasant to use Mutiara Lombok Paradise products, respondents also rate Mutiara Lombok Paradise services as good, and the quality of Mutiara Lombok Paradise products is good. Means, Mutiara Lombok Paradise in terms of products have managed to achieve positive emotions from a large number of respondents who are its customers. Based on the price, most respondents stated that the price of Mutiara Lombok Paradise was indeed in accordance with its quality, respondents also felt the price cut program carried out by the company, and the prices listed were quite competitive with competitors. That is, this result can be said both that each respondent already understands and analyzes the price of pearls that exist both within the company and compares them with those outside the company.

Based on the process, most respondents expressed positive things that they made it easier to transact, pay, and obtain information. This proves that the company has helped and facilitated customers to obtain the conveniences of Mutiara Lombok Paradise, so this will increase the company's own value to gain higher loyalty. On the promotion dimension, most respondents rated well with a high category index. This proves that the promos that have been carried out by Mutiara Lombok Paradise are attractive to consumers. In the physical evidence dimension, most respondents also did not hesitate to give a high assessment, so that all indicators were categorized as high. This means that the neatness and attractiveness of the web and social media of Mutiara Lombok Paradise have been confirmed to be in good condition through the results of this study. The dimensions of places and people also have a high categorized index value which means Mutiara Lombok Paradise have a good emotional relationship with customers.

All aspects of the assessment prove that the aspects of brand equity, offering equity, and relationship equity of Mutiara Lombok Paradise have been felt, accepted, seen, and assessed, so as to create good assessments for Mutiara Lombok Paradise. Thus, the elaboration of each variable brand equity, offering equity, and relationship equity can increase customer loyalty. The more brand equity, relationship equity, and offering equity increase, the customer loyalty will also increase.

### **CONCLUSION**

It can be seen that brand equity has a significant effect on customer loyalty. This is confirmed by the significant influence of all indicators totaling seven points, namely attractive promotions, contents of promotional messages, promotions that can be achieved anywhere, promos according to reality, attractive social media and website displays, neat social media and website appearances, catalogs and certificates. logo. Based on the data on the distribution of respondents' answers, the seven indicators also have an index value that is categorized as high.

It can be seen that offering equity has a significant effect on customer loyalty. This is confirmed by the significant influence of all six indicators, namely product quality, service, choice, price suitability, competitive

prices, and price discounts. Based on the data on the distribution of respondents' answers, the seven indicators also have an index value that is categorized as high.

It can be seen that relationship equity has a significant effect on customer loyalty. This is confirmed by the significant influence of all six indicators, namely the ability to serve, guide prospective customers to make transactions, friendliness in serving, can transact anywhere, access to social media, coverage of delivery areas, Lombok Paradise is in many areas in Indonesia. Based on the data on the distribution of respondents' answers, the seven indicators also have an index value that is categorized as high.

It can be seen that brand equity, offering equity, and relationship equity simultaneously have a significant positive effect on customer loyalty. This states that the higher the brand equity, offering equity, and relationship equity, the more customer loyalty will increase.

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