

Ha: The item score has no positive correlation to the composite factor

b. Calculating r

The r calculated can be obtained from Alpha Cronbach in SPSS Output.

c. Decision making

The bases of decision making are:

If the r is positive and r counted > 0.6 , the item is reliable

If the r is not positive and r counted < 0.6 , the item is not reliable

If the r counted > 0.6 but has negative sign, the item is not reliable

The summary and description of reliability test in every variable in the research were as follows:

Table 3.4
Reliability Test Result

| Variable/Factor | Alpha Cronbach | Status |
|-----------------|----------------|----------|
| Image | 0.787 | Reliable |
| Satisfaction | 0.851 | Reliable |
| Loyalty | 0.727 | Reliable |

Source: Primary Data

a. Image

The result of reliability test in this variable could be seen in the appendix. Based on the reliability test, the coefficient of Alpha

3.7 Technique of Data Analysis

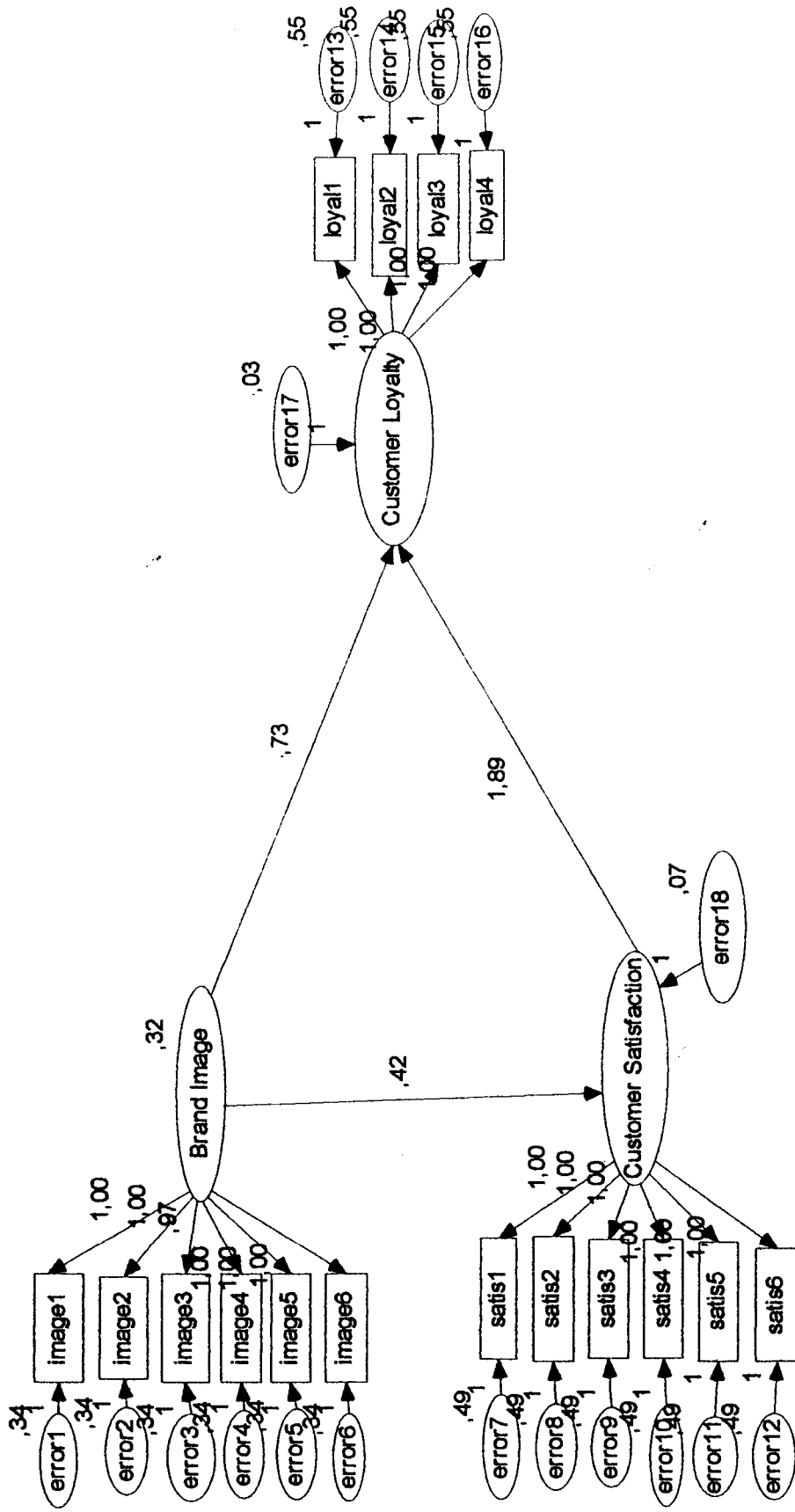
Based on the goal of the research, the author will use some analytical data techniques in this research is Structural Equation Model (SEM) which is second generation of multivariate analysis that make it possible for the researcher to test the relationship between complex variables whether recursive or non recursive to get all picture about all model, this is not similar to the usual multivariate analysis (multiple regression, factor analysis), as SEM can test variables together (Bollen, 1989).

1. Structural model: Relationship between independent and dependent construct
2. Measurement model: Relationship (loading value) between indicator with construct (latent variables)

Clustered structural model test and measurement can make researcher possible to:

1. Examine measurement error as part of structural equation modeling that can not be separated
2. Do factors analysis with hypothesis test together

Hair et. Al 1998) propose model steps and equality analysis structural to seven steps: 1. Theoretical model development, 2. Path diagram line, 3. changing line diagram to structural equation, 4. Choosing input matrix for data analysis, 5. Appraise model identification, 6. Evaluate model estimation, and 7. Interpretation to model.



THE IMPACT OF BRAND IMAGE AND CUSTOMER SATISFACTION TOWARD BRAND LOYALTY
 (Case Study of Djarum Super Cigarette at Burjo Stalls around Wachid Hasyim Street Pringgolayan
 Condong Catur Sleman Yogyakarta)

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1. The empirical evidence showed that brand image has significant direct influence on brand loyalty. Therefore, companies need to increase the brand image in order to increase brand loyalty. It can be done by devoting some efforts in building good image, especially targeted to students. It's because students constituted the most loyal consumer of cigarette product, especially Djarum Super brand.
2. The increase of image could also be done by the word of mouth means. The finding of this research showed that friends were the reference of most of consumer. The company needs to increase the word of mouth as a means to increase the brand image that can have positive impact on brand loyalty and customer satisfaction. It can be done by conducting the smoking program in a community during a period of one month by rewarding the fresh money to the community. The company should also make an advertisement in which it give the reward program to its customers.
3. This research considers some limitation especially in the sample size and location of research. This research is only eligible for the sample in the burjo stalls around Jl. Wachid Hasyim Pringgolayan Condongcatur Sleman Yogyakarta only. The sample size is also on the customer of Djarum Super Brand. Based on this limitation, the suggestion for the next research is that this research can also be extended to include other brands in cigarette industry. Sample size and location of research must be extended to include more samples and more locations. The use of more