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Distribution in Coworking Space: Exploring Brand Experience and Brand Image on Brand Equity through Brand Loyalty

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Abstract

Purpose: This research is a quantitative study aimed at determining the influence of brand experience and brand image on brand equity through brand loyalty in the distribution in Coworking Space industry. **Research design, data and methodology:** The analytical method employed in this research is Partial Least Squares Structural Equation Modeling (PLS-SEM). The study utilizes a quantitative approach, with data collected through online questionnaires distributed via Google Forms among Coworking Space users. A total of 68 respondents represent the research population.. The data was analyzed using PLS-SEM to examine the relationships between the variables under investigation. **Results:** The research findings indicate that brand experience significantly affects both brand loyalty and brand equity. Similarly, brand image significantly influences both brand loyalty and brand equity. Additionally, brand loyalty has a significant impact on brand equity **Conclusions:** The research findings indicate that brand experience has a significant effect on brand loyalty and brand equity. Brand image significantly affects both brand loyalty and brand equity. Additionally, brand loyalty significantly influences brand equity.

Keywords : Brand Experience, Brand Image, Brand Loyalty, Brand Equity, Coworking Space.

JEL Classification Code : M30, M31, R39

1. Introduction

The rapid advancement of technology in the digital era has brought about significant changes in lifestyle and work paradigms. This evolution has not only transformed the way we live but also greatly impacted the professional landscape. (Venkatachalam & Mishra, 2023). Technological developments have made remote work more efficient and productive, broadening access to diverse resources and specialized talent. This progress has also enhanced team

communication and collaboration, supporting the effectiveness of remote teams. As a result, technology plays a pivotal role in shaping the contemporary workplace, fostering the growth of remote work and seamlessly integrating hybrid work models that combine both remote and on-site work

Coworking space, often referred to as a shared workspace, represents a work paradigm that enables individuals such as freelancers, small-scale entrepreneurs, and professionals from diverse occupational backgrounds to

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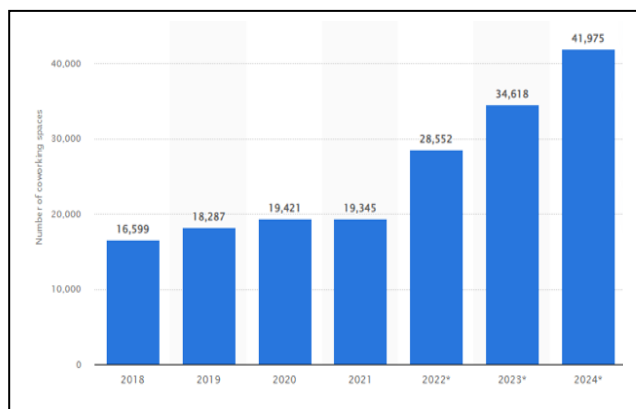
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share and collaborate in a flexible working environment. The concept of shared workspaces, characterized by high-quality facilities, a comfortable work environment, and heightened security, has seen substantial expansion due to the growing interest and demand for this working model, which is anticipated to enhance productivity. (Yang et al., 2019).

Data projections from (*Number of Coworking Spaces Worldwide 2018-2024*, 2023) indicate a continuous rise in the number of coworking spaces globally. It is estimated that by the end of 2024, there will be approximately 41,975 coworking spaces worldwide, fostering open and innovative working environments that encourage various, albeit unrelated, companies to share spaces and collaborate. This phenomenon underscores the rapid growth of shared working and collaborative trends in the digital era.



Source: *Number of Coworking Spaces Worldwide 2018-2024*, 2023.

Figure 1: The Growth of the Number of Coworking Spaces

The surge in coworking spaces is driven by advancements in digital technology and the demand for flexible workplaces. These spaces are purposefully crafted to promote collaboration, creativity, idea exchange, networking, socializing, and the creation of business opportunities for small enterprises, startups, and freelancers. Offering adaptable communal settings, coworking spaces act as catalysts for innovation and professional synergy, catering to the growing preference for flexibility and collaboration in today's workforce (Bosworth et al., 2023).

In the dynamic landscape of coworking space businesses, prioritizing brand equity and brand loyalty is essential for sustained success. Brand equity, encapsulating the consistent delivery of gratifying outcomes for both consumers and the company, stands as a universally applied and paramount concept in building brand value (Habib Dada, 2021). As consumers experience positive interactions with products linked to a specific brand, brand loyalty naturally flourishes (Darmawan, 2019). Therefore, the synergy between brand equity and brand loyalty is instrumental in

creating enduring value and fostering positive consumer relationships within the coworking space industry. According to Brakus et al. cited in (Beig & Nika, 2019), brand experience is the behavioral and subjective response of customers triggered by brand-related stimuli, and if these stimuli yield satisfying results, customers tend to make repeat purchases.

Furthermore, Kang et al. cited in (Mostafa & Kasamani, 2020) state that brand experience is a key factor that plays a critical role in achieving and sustaining business success, as well as in building long-term bonds with consumers. In this competitive business landscape, positive experiences associated with a brand can be a strong differentiator. These experiences encompass everything from direct interactions with products or services to consistent and appealing brand communication.

Brand image can be described as the representation of external attributes of products and services, including brand efforts to fulfill customers' social or psychological needs (Kotler & Keller, 2016). Brand image can influence customers' perceptions of brand quality and is a crucial factor when consumers choose among different brands. (Kim & Chao, 2019). Brand image is essential as it serves as a reference for establishing customer trust and plays a role in purchase decision-making through the use of names, symbols, and composite forms (Kotler & Keller, 2016). This serves to distinguish products or services from other competitors. Therefore, to enhance consumer interest in utilizing coworking spaces, it is vital to build an impressive brand image.

2. Literature Review

2.1. Brand Experience

Brand experience is the conceptualization of sensations, emotions, cognition, and behavioral responses that arise from brand stimuli, which are integral components of brand design and identity, packaging, communication, and the environment. (Brakus et al., 2009). Brand experience can be employed as a comprehensive measure to estimate the level of personalized consumer experiences activated by a brand (Schmitt, 2009). Brand experience occurs when consumers feel emotions while using a specific product or service and derive satisfaction. Research conducted by (Hepola et al., 2017) suggests that brand experience also influences external consumer responses, such as behavioral responses generated by brand-related aspects, including brand design and identity, packaging, marketing communication, and the environment, such as the store ambiance, which is an integral part of the brand itself. This demonstrates that brand experience has a significant impact on consumer behavior

towards the brand. There are four dimensions of brand experience proposed by Brakus et al. in (Choi et al., 2017). These four dimensions are Sensory, which creates experiences through sight, sound, touch, smell, and taste; Intellectual, which involves brand-related stimuli that stimulate thinking, problem-solving, and curiosity; Affective, which uses a feelings-oriented approach to influence emotions and moods; and Behavioral, which creates physical experiences, patterns of behavior, and lifestyle.

Previous research by (van der Westhuizen, 2018) indicated that brand experience fully mediates the relationship between self-brand connection and brand loyalty. The study found that self-brand connection has a positive relationship with brand experience, and brand experience has a positive relationship with brand loyalty. However, when controlling for brand experience, the relationship between self-brand connection and brand loyalty becomes insignificant. The full mediation model was found to be the most suitable in explaining the relationship between self-brand connection, brand experience, and brand loyalty. The study also validated the measurement scale for brand experience, which consists of four underlying dimensions. The limitations of the study include its cross-sectional design and the need for further research on the roles of brand trust and negative brand experiences. Overall, this research contributes to the understanding of the relationships between self-brand connection, brand experience, and brand loyalty.

Furthermore, study's key findings from (Mostafa & Kasamani, 2020) are as follows: Emotional Brand Attachment (EBA) dimensions - brand passion, self-brand connection, and brand affection - significantly impact brand loyalty in the smartphone industry, with self-brand connection having the most prominent effect, followed by brand affection and brand passion. Moreover, brand experience has a direct positive influence on brand loyalty, highlighting the importance of delivering a unique customer experience. The study also confirms that brand affection and brand passion fully mediate the relationship between brand experience and brand loyalty, indicating that brand-related stimuli evoke emotional attachments and desires in consumers. Furthermore, self-brand connection partially mediates the relationship, suggesting that customers voluntarily form strong connections with the brand, which are enhanced by brand experiences. The study enhances our understanding of the roles of Emotional Brand Attachment and Brand Experience in shaping brand loyalty in the smartphone industry. It underscores the significance of creating positive brand experiences and fostering emotional connections with consumers to enhance brand loyalty.

The previous research from (Sohaib et al., 2022) presents a case study on the perception of the Apple brand in China

and its impact on brand equity. The study examines the relationships between brand experience, brand love, brand engagement, and brand equity in the context of Chinese customers' perceptions of Apple products. It finds that brand experience positively influences brand engagement, brand love, and brand equity. Additionally, brand love partially mediates the relationships between brand experience and brand engagement, as well as brand experience and brand equity. Prior studies conducted by (Jeon & Yoo, 2021) have shown that brand experience plays a crucial role in shaping brand equity. This is because it contributes to the improvement of brand recognition, the establishment of brand associations and image, the perception of quality, and the fostering of brand loyalty. These results underscore the significance of crafting distinctive and unforgettable consumer experiences to establish robust brand equity. Based on the findings from the aforementioned studies, the subsequent hypotheses can be formulated:

H1: Brand experience significantly influences brand loyalty.

H2: Brand experience significantly influences brand equity.

2.2. Brand Image

Brand image, as described by (Kotler & Keller, 2016), encompasses the extrinsic attributes of products and services, including the brand's efforts to fulfill consumers' social or psychological needs. According to Hower, Brownlie, and Kerrigan, as cited in (Lin et al., 2021), the significance of a strong brand lies in its ability to reflect consumer habits and gain recognition and status through strategic identity management. Corporate image is constructed through various elements such as the logo, name, mission, vision, organizational culture, products/services, advertising, and the appearance of corporate facilities. Brand image analysis may involve four key elements: verbal and visual identification, brand promotion methods such as marketing communication, and the behavior of individuals, including employees, associated with the brand. (Świtła et al., 2018).

To surpass competitors, it is crucial to carefully plan, maintain, support, and preserve brand image (J. L. Aaker, 1997). One of the key elements in building a successful brand is understanding how to develop brand identity and effectively express and convey it. (J. L. Aaker, 1997). According to (Keller & Kotler, 2012) there are four main dimensions that shape a brand's image:

1. **Brand Identity:** These are the physical elements associated with the brand or product, making it easier for customers to recognize and differentiate it from other brands or products. These elements include the logo, color, packaging, location, parent company's identity, slogan, and various other factors.
2. **Brand Personality:** This represents the unique

characteristics of a brand that form a distinct personality, akin to human personality traits. These traits allow consumers to easily distinguish the brand from others in the same category. Examples include assertive, rigid, dynamic, creative, independent, and more..

3. **Brand Association:** These are specific elements that are appropriately or consistently linked to a brand. They can arise from the uniqueness of the product offerings, ongoing and consistent activities such as sponsorship or social responsibility initiatives, issues strongly associated with the brand, and people, symbols, and meanings strongly attached to the brand.
4. **Brand Attitude and Behavior:** This pertains to the attitudes and behaviors in communication and interaction between the brand and customers in delivering the brand's benefits and values. Attitudes and behaviors encompass customer attitudes and behaviors, brand-related activities and attributes during interactions with customers, and the behavior of employees and brand owners.

The previous research by (Munir & Rachman Putra, 2021) yielded the following findings: First, there is an influence of brand image on Samsung brand loyalty. Customers who regularly use the brand believe it offers distinct advantages over its competitors. Second, there is an impact of product quality on brand loyalty. Concerns and declines in brand loyalty are highly influenced by the quality of the products provided. Customers will feel confident if the available products are of good quality and useful. Additionally, there is a simultaneous influence of brand image and product quality on brand loyalty. The better the brand image and product quality, the higher the brand loyalty.

Based on the research findings above, brand image plays a role in shaping customer perceptions of the product, leading to a desire to purchase, and ultimately correlating with brand loyalty. The company is believed to maintain its brand image because Samsung is a strong brand in the market. On the other hand, the company must continuously improve product quality and advertising intensity so that their products can be recognized by all segments of society. This is necessary to prevent buyers from switching to similar products with different brands.

The previous research by (Habib Dada, 2021) reveals the pivotal role of Brand Equity in fortifying the relationship between businesses and their consumers. These findings underscore that Brand Equity predominantly hinges on Brand Loyalty, indicating that changes in Brand Loyalty can influence Brand Equity. The two other independent variables, Brand Association and Brand Image, do not exhibit a significant relationship with Brand Equity, according to the study's outcomes.

Based on the findings from the aforementioned studies, the subsequent hypotheses can be formulated:

H3: Brand image significantly influences brand loyalty.

H4: Brand image insignificantly influences brand equity.

2.3. Brand Loyalty

Brand loyalty, as defined by (D. Aaker, 2009), refers to the degree of connection between a consumer and a specific brand. This level of connection can depict the likelihood of a consumer switching to another brand when changes occur within the relevant brand, such as price adjustments or other attributes. According to (D. Aaker, 2002) brand loyalty is at the core of brand value, and the concept of brand loyalty strengthens the measure and intensity of attachment within each segment.

Furthermore, according to Tuominen as cited in (Gajanová & Nadányiová, 2018) characterizes brand loyalty as a favorable disposition towards a brand, resulting in consistent and repeated purchases over time, stemming from the consumer's recognition that only that particular brand can fulfill their needs. There are three dimensions and indicators of brand loyalty as outlined by (Lee et al., 2011). The first is cognitive loyalty, which reflects consumers' awareness and knowledge of a brand. The second is affective loyalty, which pertains to consumers' feelings and attitudes toward the brand, including their willingness to use and emotional affinity with the brand. The third is conative loyalty, which lies at the intersection of attitudinal and behavioral loyalty. This dimension signifies consumers' inclination to continue using the same brand in the future and their commitment to the brand.

The previous research findings from (Eslami, 2020) investigates the impact of brand experience on brand equity and brand loyalty in the complementary health insurance industry in Iran. The findings indicate that brand experience significantly influences brand image, perceived quality, brand awareness, and brand loyalty. Perceived quality mediates the relationship between brand experience and brand loyalty. The study emphasizes the importance of establishing long-term, profitable relationships with customers and identifies factors that impact brand loyalty and brand equity.

Based on the findings from the aforementioned studies, the subsequent hypotheses can be formulated:

H5: Brand loyalty significantly influences brand equity.

2.4. Brand Equity

The definition of brand equity, as per The Marketing Science Institute, as cited in (Shariq, 2018), is 'The set of associations and behavior on the part of a brand's customers, channel members, and parent corporation that permits the

brand to earn greater volume or greater margins than it could without the brand name.' The intended meaning of this statement is that brand equity consists of a set of associations and behaviors related to a brand, enabling it to achieve greater sales volume and higher profit margins than it could without the brand name. Brand equity, a pivotal concept in marketing discussions, underscores a brand's consistent delivery of value to both consumers and the company. All companies leverage this concept to create value for their brands. When a brand establishes robust and positive brand equity, it fosters a favorable image and anticipation among consumers, consequently leading to elevated levels of consumer engagement. (Jeon & Yoo, 2021). This heightened engagement prompts individuals to actively seek out and interact with the brand, resulting in enhanced positive encounters and interactions.

According to Aaker as cited in (Dua et al., 2019) brand equity comprises four dimensions: brand awareness, brand loyalty, perceived brand quality, and brand associations.

According to (Świtała et al., 2018), brand equity should be assessed through five aspects that collectively influence added value for customers and brand owners. One of these elements is loyalty to a specific brand, which holds intrinsic value as it can reduce marketing costs, such as promotions and advertising. Furthermore, loyal and satisfied customers tend to provide positive recommendations about the brand they purchase to others, acting as brand ambassadors. The second element is market recognition, which, when high, can positively influence purchasing decisions at all stages of the shopping process. Additionally, the perception of high quality drives conscious purchasing and forms the foundation for product differentiation. Products perceived as high quality appeal not only to end consumers but also to intermediaries, offering potential for higher margins and opportunities to expand product lines. The final element in the brand equity model consists of other assets associated with a specific brand, such as trademarks and patents, developed over the years to collectively create additional value for the brand. However, creating or producing these assets requires financial investment and significant effort from the company that owns the brand.

2.5. Research Framework

This study employs three variables: Brand experience (X1) dan brand image (X2), brand loyalty (Y), and brand equity (Z).

Brand experience (X1) and brand image (X2) serving as the independent variable, while its dependent variable is brand equity (Z). Additionally, the intervening variable is brand loyalty (Y)

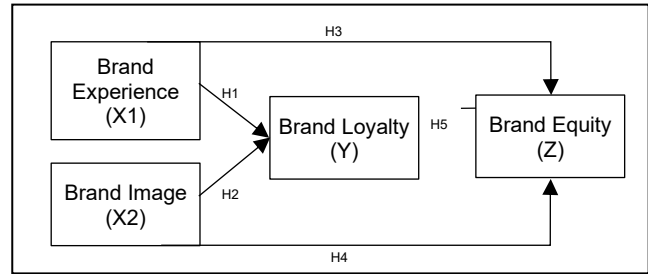


Figure 2: Hypothesis

H1 = Brand experience has a positive effect on brand loyalty.

H2 = Brand experience has a positive effect on brand equity.

H3 = Brand image has a positive effect on brand loyalty.

H4 = Brand image has a negative effect on brand equity.

H5 = Brand loyalty has a positive effect on brand equity.

3. Research Methods

This research adopts a quantitative approach aimed at establishing relationships or explaining changes or issues based on measurable facts, and generating generalizations from quantitative or numerical data (Mohajan, 2020). The quantitative approach follows a structured and consistent format, comprising an introduction, literature review, theoretical framework, research methodology, research findings, and the objective of testing predefined hypotheses on a specific population or sample while analyzing quantitative or statistical data. This approach enables the author to produce numerically measurable data regarding the relationships between the variables of brand experience, brand image, brand loyalty, and brand equity. The choice of the quantitative method is driven by its efficiency in data collection and analysis, with data gathered through questionnaires (Christensen & Johnson, 2014). This method is used to collect quantitative data that can be statistically analyzed to address the research questions. The quantitative research method allows for more precise and valid measurements of the variables under investigation, thereby providing more objective and reliable outcomes. This study employs a descriptive research design. According to (Christensen & Johnson, 2014) the purpose of descriptive analysis is to elucidate the distribution patterns of respondents' answers to the research variables based on their responses to the questionnaire. Ordinal measurement employing a Likert scale was employed to analyze both independent and dependent variables in this research study. The primary aim was to gather data that accurately represented a specific population through sampling. The study's sample consisted of individuals who are active users

of coworking spaces. The selection of this sample was accomplished using the Lemeshow formula, which was deemed appropriate due to the unknown size of the population. Consequently, the study utilized a total of 68 samples, as determined by the Lemeshow formula calculations. The calculation involved the following equation:

$$n = \frac{Z^2 \times P(1-P)}{e^2}$$

Notes:

n = the sample size to be determined

Z = z-score at 90% confidence level = 1.64

P = focus of the case / maximum estimation = 0.5

e = alpha (0.010) or 10% sampling error

In this research, a non-probability technique employing a convenience sampling method will be utilized. The adoption of convenience sampling allows the researcher to efficiently and cost-effectively select a substantial number of participants without imposing specific selection criteria.

(Sekaran & Bougie, 2016). Regarding the data analysis approach, the study employs Partial Least Squares Structural Equation Modeling (PLS-SEM), with a particular focus on the evaluation of the measurement model, also referred to as the outer model. This evaluation aims to assess the validity and reliability of the indicators, which serve as essential instruments in the study. Within the assessment of the measurement model, various tests are conducted, utilizing SMARTPLS software, to ensure validity and reliability.

Data collection in this research involved distributing questionnaires to respondents, which were subsequently processed and tested. The data analysis methodology employed in this study is Structural Equation Modeling - Partial Least Squares (SEM-PLS), utilizing SmartPLS software version 3.2.8. SEM is a sophisticated multivariate analysis technique that amalgamates elements such as factor analysis and regression, as outlined by (J. Hair et al., 2017). By employing SEM, researchers can explore relationships not only between observable and latent variables but also among different latent variables in a comprehensive and rigorous manner.

4. Results and Discussion

4.1. Respondents Attributes

The outer model test was conducted to assess the correlation between the construct and its respective indicators. This correlation analysis serves to reaffirm the

validity and reliability of a construct alongside its indicators. The validity examination involved two critical measurements: convergent validity and discriminant validity. Below is a description of the study's respondents. Out of a total of 68 respondents, the following observations were made:

Table 1: Demographic Characteristics of Respondents

| Category | Classification | % |
|------------|---|-----|
| Gender | Female | 75% |
| | Male | 25% |
| Age | 18 – 24 years old | 35% |
| | 25 – 34 years old | 62% |
| | 35 – 44 years old | 3% |
| Occupation | Student | 18% |
| | Private sector employee | 57% |
| | Entrepreneur | 13% |
| | Civil servant/State-owned enterprise employee | 9% |
| | Others | 3% |
| Income | < Rp 5 million | 22% |
| | Rp 5 million – Rp 10 million | 56% |
| | Rp 10 million – Rp 20 million | 18% |
| | Rp 20 million – Rp 30 million | 3% |
| | Rp 30 million – Rp 50 million | 1% |
| Education | Diploma | 10% |
| | Bachelor Degree | 81% |
| | Postgraduate | 9% |

Source: Data Processing Results from SmartPLS, 2023.

4.2. Validity and Reliability Analysis

Convergent validity assessment through the loading factor is considered valid if the loading factor values are greater than 0.7. Additionally, the results, when combined with the Average Variance Extracted (AVE), are considered valid if the AVE values are greater than 0.5. (J. Hair et al., 2017). The computed values of the loading factor and Average Variance Extracted (AVE) by the researcher using SmartPLS software can be observed in the table below:

Table 2: Convergent Validity Test Score

| Variable | Indicator | Outer Loading | AVE |
|-----------------------|-----------|---------------|-------|
| Brand Experience (X1) | BE1 | 0.889 | 0.783 |
| | BE2 | 0.881 | |
| | BE3 | 0.860 | |
| | BE4 | 0.868 | |
| | BE5 | 0.892 | |
| | BE6 | 0.862 | |
| | BE7 | 0.906 | |
| | BE8 | 0.907 | |
| Brand Image (X2) | BI1 | 0.774 | 0.571 |
| | BI2 | 0.748 | |

| Variable | Indicator | Outer Loading | AVE |
|-------------------|-----------|---------------|-------|
| | BI3 | 0.743 | |
| | BI4 | 0.743 | |
| | BI5 | 0.795 | |
| | BI6 | 0.738 | |
| | BI7 | 0.745 | |
| Brand Loyalty (Y) | BL1 | 0.740 | 0.540 |
| | BL2 | 0.761 | |
| | BL3 | 0.708 | |
| | BL4 | 0.685 | |
| | BL5 | 0.716 | |
| | BL6 | 0.741 | |
| | BL7 | 0.745 | |
| | BL8 | 0.766 | |
| Brand Equity (Z) | BQ1 | 0.689 | 0.588 |
| | BQ2 | 0.739 | |
| | BQ3 | 0.783 | |
| | BQ4 | 0.711 | |
| | BQ5 | 0.765 | |
| | BQ6 | 0.711 | |
| | BQ7 | 0.816 | |
| | BQ8 | 0.807 | |
| | BQ9 | 0.860 | |
| | BQ10 | 0.773 | |

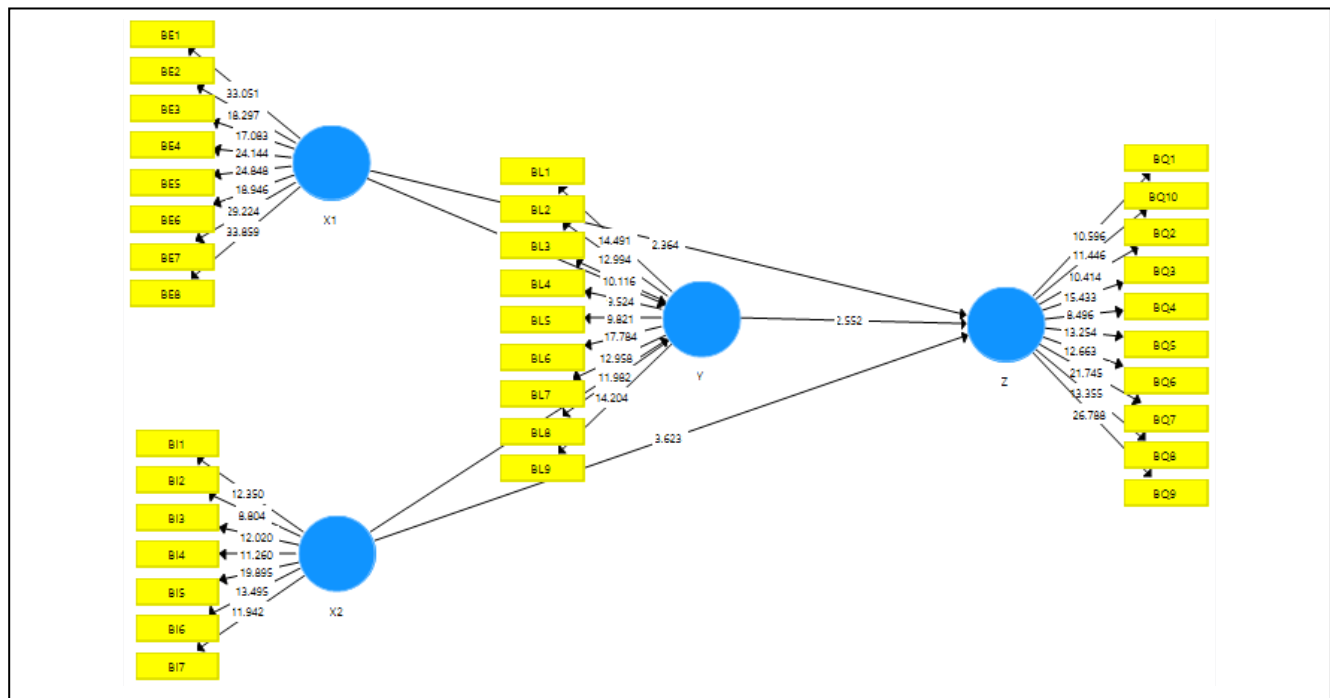
Source: Data Processing Results from SmartPLS, 2023

Based on the above loading factor results, it can be concluded that all questionnaire indicators are valid because each indicator has a value above 0.7. Therefore, these findings indicate that:

- The Intellectual indicator (BE8) has the largest effect on the Brand Experience variable, with an indicator value of 0.907.
- The Affective indicator (BI5) has the largest effect on the brand image variable, with an indicator value of 0.795.
- The Connative Loyalty indicator (BL8) has the largest effect on the Brand Loyalty variable, with an indicator value of 0.766.
- The Brand Awareness indicator (BQ9) has the largest effect on the Brand Equity variable, with a value of 0.860.

Additionally, the table above presents that all variables have an Average Variance Extracted (AVE) value above 0.5. Since the aforementioned criteria have been met, it can be concluded that the variables are valid, and convergent validity has been achieved.

To assess the research hypotheses, an analysis was conducted using the Partial Least Squares (PLS) method with SmartPLS 3.2.8 software.



Source: Data Processing Results from SmartPLS, 2023

Figure 3: Partial Least Square

Reliability refers to the consistency exhibited by a multi-item scale or construct. A scale is considered reliable when it consistently generates uniform results under similar or identical conditions. (J. F. Hair et al., 2019). Internal consistency reliability is the predominant and widely used method for evaluating reliability.

Table 3: The Result of Cronbach's Alpha

| | Cronbach's Alpha | Notes |
|------------------|------------------|----------|
| Brand Experience | 0.960 | Reliable |
| Brand Image | 0.876 | Reliable |
| Brand Loyalty | 0.894 | Reliable |
| Brand Equity | 0.922 | Reliable |

Source: Data Processing Results from SmartPLS, 2023

The assessment of a questionnaire's reliability level, determined through the calculation of Cronbach's Alpha, should yield values exceeding 0.60 to establish the scale's acceptability in terms of reliability (Taber, 2018). In this study, the measurement results surpassed this threshold, registering at 0.960 for brand experience, 0.876 for brand image, 0.894 for brand loyalty, and 0.922 for brand equity. These outcomes affirm the robustness and reliability of the measurement instrument, as documented in Table 4.

4.4. Discussion

When assessing the structural model using Partial Least Squares (PLS), the initial step involved the examination of the R-Square for each endogenous latent variable, which represents the model's predictive power. Changes in R-squares were used to elucidate the influence of specific exogenous latent variables on endogenous latent variables, determining whether they exert a substantial impact. In assessing the relationships between constructs, path coefficient values or t-statistics were employed for each path.

The R-Square value serves as the coefficient of determination for the endogenous construct. As per (Chin, 1998), an R-Square value of 0.67 is considered strong, 0.33 is considered moderate, and 0.19 is considered weak.

Table 4: R Square Model Value

| | R Square | R Square Adjusted |
|---------------|----------|-------------------|
| Brand Loyalty | 0.246 | 0.222 |
| Brand Equity | 0.448 | 0.422 |

Source: Data Processing Results from SmartPLS, 2023.

As indicated in Table 6, it is evident that the brand equity variable (Z) exhibits an R-square value of 0.448 (44.8%). This categorizes all variables as moderately influential, placing them between the strong and weak ends of the spectrum. Additionally, to assess the interrelationships between variables, the bootstrapping method can be

employed. Within the PLS methodology, the decision to accept or reject a hypothesis depends on the P-value being less than 0.05. In this instance, significance can be determined by examining the parameter coefficient values and the T-statistical value, which should exceed 1.96.

Table 5: T-Statistic Value

| | Original Sample | Sample (M) | STDEV | T Statistic | P Value | Results |
|-------|-----------------|------------|-------|-------------|---------|----------|
| BE→BL | 0.289 | 0.299 | 0.118 | 2.440 | 0.015 | Accepted |
| BE→BQ | 0.289 | 0.286 | 0.121 | 2.396 | 0.017 | Accepted |
| BI→BL | 0.353 | 0.373 | 0.096 | 3.684 | 0.000 | Accepted |
| BI→BQ | 0.309 | 0.302 | 0.083 | 3.719 | 0.000 | Accepted |

Source: Data Processing Results from SmartPLS, 2023.

Table 6: Mediation Test

| | Original Sample | Sample (M) | STDEV | T Statistic | P Value | Results |
|--------------|-----------------|------------|-------|-------------|---------|----------|
| BE → BL → BQ | 0.089 | 0.099 | 0.059 | 1.515 | 0.130 | Rejected |
| BI → BL → BQ | 0.109 | 0.124 | 0.058 | 1.874 | 0.061 | Rejected |

Source: Data Processing Results from SmartPLS, 2023.

In light of the statistical test outcomes, it can be deduced that of the three hypotheses investigated through the PLS Structural Equation Model (SEM) analysis, five have shown statistical significance and have been substantiated to exert a discernible influence. Therefore, the hypotheses are summarized as follows based on the findings: H1 = Brand experience has a positive effect on brand loyalty, H2 = Brand experience has a positive effect on brand equity, H3 = Brand image has a positive effect on brand loyalty, H4 = Brand image has a positive effect on brand equity, H5 = Brand loyalty has a positive effect on brand equity. H1: This result is considered to be in line with previous research by (van der Westhuizen, 2018) which discovered that brand experience fully have a significant positive impact on self-brand connection and brand loyalty, H2: This hypothesis is supported by previous research (Sohaib et al., 2023) that brand experience has a significant effect on the brand equity, H3: This study is in accordance with previous research by (Munir & Rachman Putra, 2021) showed that there was a significant role of brand image in the formation of brand loyalty, H4: This study contradicts previous findings, which have demonstrated that brand image negatively impacts brand equity (Habib Dada, 2021), H5: This study aligns with prior research indicating that brand loyalty positively influences brand equity (Eslami, 2020).

5. Conclusions

This study began by empirically investigating the impact of brand experience and brand image on brand equity, with

a particular focus on the mediating role of brand loyalty. The findings indicate that brand experience significantly and positively affects both brand loyalty and brand equity. Similarly, brand image also significantly and positively influences both brand loyalty and brand equity. However, the research does not demonstrate a positive mediation effect of brand loyalty on the relationship between brand experience and brand equity. Additionally, the mediation effect of brand loyalty on the relationship between brand image and brand equity does not show a positive impact..

Several limitations must be acknowledged in this study. The sample was sourced from coworking space users via an online survey. Despite participants being asked if they frequent coworking spaces at least once a week, the findings might exhibit selection bias. Future studies should utilize diverse data collection methods to obtain responses from various brands. This research explores the interconnections among brand experience, brand image, brand loyalty, and brand equity within the context of coworking spaces. The applicability of the findings to other settings (i.e., external validity) is limited; hence, future studies should include a wider range of contexts. There is scant research on related topics within the coworking space sector. Thus, this study aimed to address broad concepts and issues within the coworking space industry rather than focusing on a singular research problem. As a result, more focused attention should be given to the specific concepts proposed in this research. The research model developed in this study may serve as a framework for future research in the coworking space sector.

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