

Unraveling the Link Between Risk Aversion and Brand Loyalty in Men's Cosmetics: The Mediating Role of Brand Trust and Brand Affect

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ABSTRACT

Background: Currently, cosmetic products are no longer exclusively for women but also for men. Thus creating opportunities and an environment conducive to the emergence of new companies. With the increasing number of companies in the men's cosmetics industry today, building brand loyalty is one of the biggest challenges that companies will face.

Purpose: This research aims to explore the relationship between Risk Aversion and Brand Loyalty, and to test whether Brand Trust and Brand Affect mediate this relationship.

Design/methodology/approach: This is a quantitative study with one independent variable (Risk Aversion), one dependent variable (Brand Loyalty), and two mediating variables (Brand Trust and Brand Affect)—130 male respondents from the University of Bandung. The analysis method uses variance-based structural equation modeling.

Findings/Result: The research results indicate that risk aversion is statistically significant in influencing brand trust, effect, and loyalty. Brand trust and brand effect are also statistically significant in influencing brand loyalty.

Conclusion: This study confirms that risk aversion significantly influences brand trust, brand effect, and brand loyalty among male consumers in the cosmetics industry. Furthermore, brand trust and brand affect are also significant predictors of brand loyalty. These findings underscore the importance of addressing consumer risk perceptions and fostering trust and positive emotional connections to cultivate brand loyalty in this market segment.

Originality/value (State of the art): This research contributes as a means of scientific and theoretical information for subsequent studies related to Risk Aversion, Brand Trust, Brand Affect, and Brand Loyalty.

Keywords: *Risk Aversion, Brand Trust, Brand Affect, Brand Loyalty*

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INTRODUCTION

In recent years, there has been a trend of men becoming increasingly aware of body care and their overall appearance. Currently, cosmetic products are no longer exclusively intended for women to maintain their appearance but also for men. Currently, men are increasingly aware of the importance of skincare for both aesthetic and health reasons (Agusty & Muttaqin, 2022). Men are starting to realize that taking care of their bodies is important to do.

The positive development of the industry and cosmetic trends in Indonesia has created a conducive environment for the emergence of new brands. New companies continue to emerge, and existing businesses are also expanding, creating a more competitive market. With the increasing number of companies in the men's cosmetics and body care industry today, how to make consumers more loyal to cosmetic brands is one of the biggest challenges faced by companies.

In this competitive market, understanding consumer behavior has become crucial for companies. Understanding consumer behavior can help companies comprehend consumer preferences and behaviors that influence purchasing decisions. It allows companies to develop more effective marketing strategies and product offerings.

Based on the theory of planned behavior (TPB), a social psychological model developed by Ajzen (1991). According to this theory, an individual's attitude towards a product or brand can significantly influence their purchasing decisions through three key factors: attitude, subjective norms, and perceived behavioral control. This theory has proven to be very useful and strong in predicting various behaviors ranging from food consumption to the intention to purchase skincare products (Miguel et al., 2022).

Building brand loyalty is important for a company to survive and thrive. Brand loyalty refers to the extent of the connection felt by customers to a particular brand and is considered one of the most crucial outputs in much marketing literature (Samarah et al., 2022).

It is known that the formation of brand loyalty is influenced by several components. One of the components that can influence brand loyalty is the impact of risk aversion. Consumers vary in their willingness to tolerate risk in certain situations, which is referred to as their risk aversion (Rostami et al., 2019). When consumers perceive themselves to be in a risky purchasing situation, they tend to be hesitant to try new products because they are unsure of their performance compared to well-known products and brands (Alhosseini Almodarresi & Rasty, 2019). Consumers who avoid risk tend to be loyal to brands they already know.

One of the main goals of marketing is to create an emotional bond between the brand and the customers. This relationship is built through trust and is crucial for sustainable long-term growth (Fatma & Khan, 2023). The confidence that consumers have in a brand, known as brand trust, is believed to act as a mediator between risk aversion and brand loyalty. When consumers have a high level of brand trust, they are more likely to remain loyal to a brand even if they perceive a high level of risk associated with the brand's products or services.

Besides brand trust, another variable that might influence the role of risk aversion on brand loyalty is brand affect. According to Sjabadhyini et al. (2019), each individual processes information differently or has different perceptions of an object. This can affect their attitudes, behaviors, and decisions. Brand affect

refers to the potential of a brand to elicit positive emotional responses from the average customer as a result of using the brand. Thus, consumers with high brand affect perceive that the brand makes them happy, joyful, and affectionate (Huaman-Ramirez et al., 2019).

Therefore, this research aims to explore the relationship between risk aversion and brand loyalty with mediation by brand trust and brand affect; the researchers are interested in exploring the relationship between risk aversion and brand loyalty and testing whether this relationship is mediated by brand trust and brand affect in the purchase of cosmetic and body care products.

Theory of Planned Behavior

Theory of planned behavior (TPB) is a social psychology model that explains how human behavior is influenced by individual beliefs, attitudes, and intentions. This theory was proposed by Ajzen & Fishbein (1980) and later refined by Ajzen (1991). According to Ajzen (1991), behavior is influenced by a person's intention towards a specific behavior. TPB is able to explain how customer behavioral intentions, such as the intention to purchase a product, influence their actual behavior, such as the actual purchase of the product. TPB is one of the theories in social psychology that effectively identifies the factors driving customer behavior in planned, intended, or goal-oriented purchase situations (Ashaduzzaman et al., 2022).

Risk Aversion

Risk aversion is a term commonly used in economics and finance to describe the extent to which individuals feel uncomfortable or threatened by uncertain situations and have established their beliefs and systems to avoid such situations (Alhosseini Almodarresi & Rasty, 2019). According to Aren & Nayman Hamamci (2020), the extent to which individuals are unwilling to accept risk is known as risk aversion. It is believed that different biases and psychological traits can influence how people behave in avoiding risk.

According to Kumar Mishra et al. (2016), risk aversion can be measured using the indicator developed by Raju (1980), namely:

1. When I buy a product, I feel it is safer to buy a brand I am familiar with; when I buy a product, I feel safer buying a brand I know.
2. I would rather stick with a brand I usually buy than try something I am not very sure of. I prefer to stick with the brand I usually buy rather than try something I am not very sure of.

Brand Trust

Brand trust is stated as an important factor in commercial success and is defined as the average consumer's willingness to trust a brand's ability to fulfill its stated functions (Akoglu & Özbek, 2022). According to Nguyen et al. (2022), brand trust is the willingness to rely on a brand, based on confidence in that brand, regardless of the risks or uncertainties associated with it. This is the perception held by customers that a brand will fulfill its promises and consistently deliver products or services that meet consumer expectations.

Brand trust is formed through direct experiences between consumers and the brand. Brand trust is built over time through consistent and positive interactions between the brand and its customers (Nguyen et al., 2022).

According to Gültekin & Kiliç (2022), brand trust can be measured with four indicator items developed by Chaudhuri & Holbrook (2001), namely:

1. I trust this brand.
2. I rely on this brand.
3. This is an honest brand.
4. This brand is safe.

Brand Affect

The definition of brand affect, according to Chubukova et al. (2019), is a concept that reflects the emotional involvement of consumers with a brand, as the brand acts as an important reflection of self-identity or as a significant symbol of something meaningful to the consumer. This reflects the overall feelings or sentiments that a person has towards a brand and can include both positive and negative emotions. According to Gültekin & Kiliç (2022), brand affect refers to the relationship between the brand and the consumer. Having a high brand affect means that consumers have good impressions and feelings about the brand and hold it in high regard in their minds.

According to Huaman-Ramirez et al. (2019), brand affect can be measured with three indicator items developed by Chaudhuri & Holbrook (2001), namely:

1. I feel good when I use this brand.
2. This brand makes me happy.
3. This brand gives me pleasure.

Brand Loyalty

The definition of brand loyalty, according to Haq et al. (2022), is the strong preference that customers have for a particular brand or product, which leads them to consistently repurchase in the future. The act of repeatedly purchasing a product is not just a random response but is influenced by emotional, normative, and psychological factors (Rostami et al., 2019). According to Febriana (2018), brand loyalty is a measure of consumer loyalty to a brand, as a deeply held commitment to repurchase the product or brand in the future, even though situational changes tempt them to switch to another brand.

According to Sjabadhyni et al. (2019), brand loyalty is measured by agreement with four statements developed by Chaudhuri & Holbrook (2001). Specifically, behavioral loyalty is measured by agreement with the following two statements:

1. I will buy this brand the next time I buy [product name].
2. I intend to keep purchasing this brand.

Attitudinal loyalty is measured with two statements:

1. I am committed to this brand.
2. I would be willing to pay a higher price for this brand over other brands.

Hypotheses:

H1: Risk aversion is positively related to brand trust.

H2: Risk aversion is positively related to brand affect.

H3: Brand trust has a positive relationship with brand loyalty: behavioral and attitudinal loyalty.

H4: Brand affect has a positive relationship with brand loyalty: behavioral and attitudinal loyalty.

H5: Risk Aversion is positively related to brand loyalty: behavioral loyalty and attitudinal loyalty.

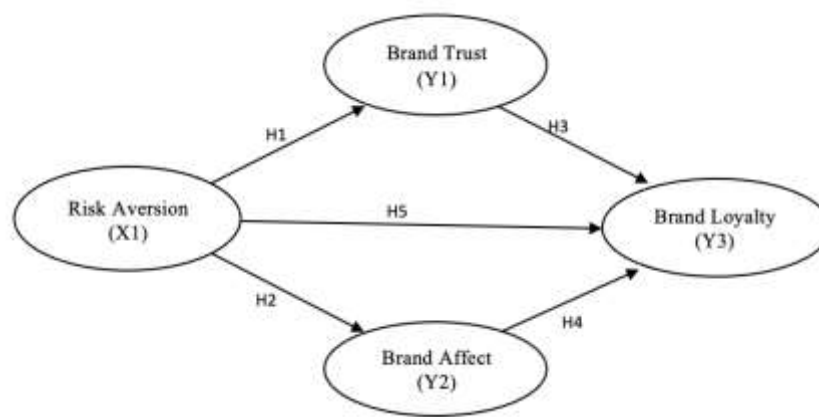


Figure 1. Conceptual Framework

METHODS

The type of research proposed by the researcher, titled “The Influence of Risk Aversion on Brand Loyalty with Brand Trust and Brand Affect as Mediating Variables,” uses a quantitative research approach. According to Hardani & Fardani (2020), quantitative research is a systematic scientific study of parts and phenomena and their relationships. Research with a quantitative approach emphasizes the analysis of numerical data (numbers), which is then analyzed using appropriate statistical methods.

The population used in this study consists of 240 male students in Bandung, who are, by nature, users of cosmetic and body care products. Thus, it can be ensured that they are able to provide accurate data on the current use of cosmetic and body care products.

The sample is taken by the researcher to serve as a representative of the population so that calculations and data collection become more effective. Samples are used in research due to constraints such as time, finances, labor, or logistical limitations that may not allow for the study of the entire population (Smith et al., 2017). The sampling in this study applies the purposive sampling method, which involves selecting respondents based on specific criteria. Thus, it is relevant to the research objectives and the characteristics of the population being studied.

The type of data applied in this research is quantitative data, and the primary data source was obtained through a questionnaire. The questionnaire was distributed directly to the main respondents, namely the students of University Bandung. The measurement scale used is a seven-point Likert scale consisting of "1 indicating Strongly Disagree," "2 indicating Disagree," "3 indicating Somewhat Disagree," "4 indicating Neutral," "5 indicating Somewhat Agree," "6 indicating Agree," and "7 indicating Strongly Agree."

Data analysis in this study was conducted by applying the Partial Least Square (PLS) based Structural Equation Modeling (SEM) method using SmartPLS 4 software. According to Hair et al. (2019), SEM-PLS consists of two models: the measurement model (representing how the measured variables represent the construct) and the structural model (showing how the constructs are related to each other). In SEM-PLS, the measurement model is often referred to as the outer model and the structural model as the inner model. But these two models essentially operate in exactly the same way in their approach.

THE RESULTS

Data collection was carried out through the distribution of online questionnaires to 130 respondents. The criteria for respondents required for this study have been explained on the first page of the questionnaire, ensuring that respondents who wish to fill out the questionnaire meet the necessary criteria. This research uses the variance-based structural equation modeling (SEM-PLS) method with the SmartPLS 4 program.

The first step taken is the outer model testing, which consists of validity testing and reliability testing. Table 1 and Table 2 below show the results of the validity test for each variable by looking at the outer loading value (convergent validity), as well as the reliability test by looking at the composite reliability and Cronbach's alpha values.

Table 1 Outer Loading

Variable	Indicator	Outer Loading (OL)	Average Variance Extracted (AVE)	Explanation
<i>Risk</i>	X1.1	0.910	0.846	Valid
<i>Aversion</i>	X1.2	0.929		Valid
<i>Brand Trust</i>	Y1.1	0.778	0.573	Valid
	Y1.2	0.758		Valid
	Y1.3	0.744		Valid
	Y1.4	0.747		Valid
	Y2.1	0.746	0.682	Valid
<i>Brand Affect</i>	Y2.2	0.899		Valid
	Y2.3	0.824		Valid
<i>Brand Loyalty</i>	Y3.1	0.811	0.682	Valid
	Y3.2	0.852		Valid
	Y3.3	0.807		Valid

Y3.4	0.833	Valid
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Based on Table 1, it is known that each indicator has an outer loading value > 0.7 and each variable has an AVE value > 0.5 . Therefore, it can be concluded that each variable and indicator in this study is valid because it meets all the criteria for convergent validity testing.

Table 2 Reliability Test

Variable	Composite Reliability	Cronbach's Alpha
<i>Risk Aversion</i>	0.916	0.818
<i>Brand Trust</i>	0.843	0.752
<i>Brand Affect</i>	0.865	0.765
<i>Brand Loyalty</i>	0.896	0.844

Based on Table 2, it was found that each research variable has a composite reliability and Cronbach's alpha value ≥ 0.7 . Thus, it can be concluded that all variables in this study are reliable because they meet the criteria for this test.

The second analysis is the inner model test, which consists of the R Square (R²) and Q Square (Q²) values.

Table 3 R Square

Variable	R-square	R-square adjusted
<i>Brand Trust</i>	0.379	0.374
<i>Brand Affect</i>	0.270	0.264
<i>Brand Loyalty</i>	0.694	0.686

Based on Table 3, it is known that the R-square value for the brand trust variable is 0.379, meaning the influence of risk aversion on brand trust is 37.9%. The R-square value for brand affect is 0.270, meaning the influence of risk aversion on brand affect is 27%. The R-square value for brand loyalty is 0.694, meaning the influence of risk aversion on brand loyalty is 69.4%.

Table 4 Q Square

Variable	Q ² (=1-SSE/SSO)
Brand Trust	0.181
Brand Affect	0.160
Brand Loyalty	0.451

Based on Table 4, it is known that the Q-square values for the variables brand trust, brand affect, and brand loyalty have Q-square values > 0 , which means the model has favorable predictive relevance. Therefore, in this study, the exogenous latent variable risk aversion is suitable as an explanatory variable that can predict or forecast the endogenous variables brand trust, brand affect, and brand loyalty.

The third stage is hypothesis testing to compare path coefficients and outer loading between the T statistic value and T table using a significance level of 5% or 1.96.

Table 5 Hypotheses test

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
RA -> BT	0.616	0.591	0.117	5.249	0.000
RA -> BA	0.519	0.509	0.107	4.858	0.000
BT -> BL	0.275	0.278	0.076	3.636	0.000
BA -> BL	0.246	0.250	0.084	2.951	0.003
RA -> BL	0.450	0.442	0.072	6.216	0.000

H1: Risk Aversion is positively related to Brand Trust.

The first hypothesis tests the influence of risk aversion on brand trust with a T-statistic result of $5.249 > 1.96$ and P-values of $0.000 < 0.05$; thus, the first hypothesis is accepted. These findings conclude that risk aversion has a significantly positive impact on brand trust.

H2: Risk Aversion is positively related to Brand Affect.

The second hypothesis tests the influence of risk aversion on brand affect with a T-statistics result of $4.858 > 1.96$ and P-values of $0.000 < 0.05$; thus, the second hypothesis is accepted. This finding concludes that risk aversion has a significantly positive effect on brand affect.

H3: Brand Trust has a positive relationship with Brand Loyalty.

The third hypothesis tests the influence of brand trust on brand loyalty with a T-statistic result of $3.636 > 1.96$ and a P-value of $0.000 < 0.05$; thus, the third hypothesis is accepted. This finding concludes that brand trust has a significantly positive influence on brand loyalty.

H4: Brand Affect has a positive relationship with Brand Loyalty.

The fourth hypothesis tests the influence of brand affect on brand loyalty with a T-statistics result of $2.951 > 1.96$ and a P-value of $0.003 < 0.05$; thus, the fourth hypothesis is accepted. This finding concludes that brand affect has a significantly positive influence on brand loyalty.

H5: Risk Aversion is positively related to Brand Loyalty.

The fifth hypothesis tests the influence of risk aversion on brand loyalty with a T-statistic result of $6.216 > 1.96$ and a P-value of $0.000 < 0.05$, thus the fifth hypothesis is accepted. These findings conclude that risk aversion has a significantly positive impact on brand loyalty.

CONCLUSIONS AND RECOMMENDATIONS

The development of trends in cosmetic and body care products for men has intensified market competition. To survive and compete effectively,

companies in the men's cosmetics and body care products sector can pay attention to the aspects that are variables in this research, including risk aversion, brand trust, brand affect, and brand loyalty. The research results show that the risk aversion variable has a significantly positive effect on brand trust, brand affect, and brand loyalty. The variables brand trust and brand affect also have a significantly positive impact on brand loyalty. According to Matzler et al. (2008), brand trust and brand affect contribute to a better explanation of brand loyalty in the context of risk aversion. By analyzing brand loyalty and the variables that influence it, companies producing men's cosmetics and body care products are expected to survive in the market.

or future research, it is expected to investigate a different scope than this study, such as other industries that require further research to support Indonesia's economic growth. Searching for a different research model is also recommended, such as adding more variables to identify other factors or independent variables that can influence brand loyalty.

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