

The Influence of Brand Equity Viewed from Four Brand Equity Dimensions: Brand Awareness, Brand Association, Perceived Quality and Brand Loyalty towards the Decision of Choosing Tehbotol Sosro Product in Palembang

Irani Putibungsu¹, Najib Asmani², Mariati Mustofa³

¹Study Program of Agricultural Agribusiness, Faculty of Agriculture, Sriwijaya University, Palembang, Indonesia

Abstract: This research is aimed to study 1) to identify the perceptions from Tehbotol Sosro consumers towards brand equity viewed from four brand equity dimensions, namely; brand awareness, brand association, perceived quality and brand loyalty 2) to analyze the influence of brand equity factors viewed from four brand equity dimensions, namely; brand awareness, brand association, perceived quality and brand loyalty towards the purchase decision of Tehbotol Sosro brand. This research was carried out at PT. Sinar Sosro factory in Palembang and South Sumatra & Babel Sales Office. The selection of research locations was done purposively. The research was conducted in November 2018. The taking of respondents in this research was done by accident (accidentally sampling), namely sampling based on chance (the easiest to find). The number of samples used in this study was 90 people. The method in this research use survey method. For this research purpose both primary and secondary data are used. The method of data collection is done by distributing questionnaires, observations, and literature studies. Data processing method is used to answer the first and second goals with descriptive analysis from the results of interviews directly and the results of direct observation of participants visiting the Sosro factory. The results showed that the brand equity variables simultaneously had an influence on purchase decisions by 37%. The perceived quality variable also had a significant effect on the purchase decision of Tehbotol Sosro product at 72.2%.

Keywords: Brand Equity, Purchase Decision, Tehbotol Sosro

1. Preliminary

Plantation as one of the agricultural sub-sectors has an important role in Indonesia's agricultural development. One of the main commodities as a contributor to foreign exchange is tea, the role of tea commodity in Indonesian economy is quite strategic. Indonesian tea industry in 1999 is estimated can absorb around 300,000 workers and produce around 1.2 trillion (0.3% of total non-oil GDP) and contribute net foreign exchange around 110 million US dollars per year (Data Center and Agricultural Information System, 2015).

Along with the advancement of science and technology, economic growth and development has entered the era of globalization. This causes competition in the business world become increasingly sharp. Consumers who are orientations in business are the main key in winning the competition, consumers are increasingly critical in choosing product or service that they want to buy.

Brand is not just a name, term, sign, symbol design or combination. More than that, the brand is the company's promise to consistently provide features, benefits and services to customers. This promise that makes people recognize the brand more than any other brand. In fact, now the unique character of modern marketing relies on the creation of different brands that strengthen the company's image and products in consumers' mind.

The main challenge that forms the basis of marketing is building a brand or brand in consumers' mind. Brand strength lies in its ability to influence consumer behavior for shopping. Brands are believed that have the power which can attract people to buy the product or service they represent. According to Fadli (2008) Purchase decisions are more often based on brand considerations than other things. Tehbotol Sosro in glass bottle packaging is the object of this research, this superior product of PT. Sinar Sosro is a pioneer in packaged beverage products both in the world and Indonesia continues to dominate the competition that occurs until 2017, this can be seen in this survey results of Top Brand Index conducted in 2016.

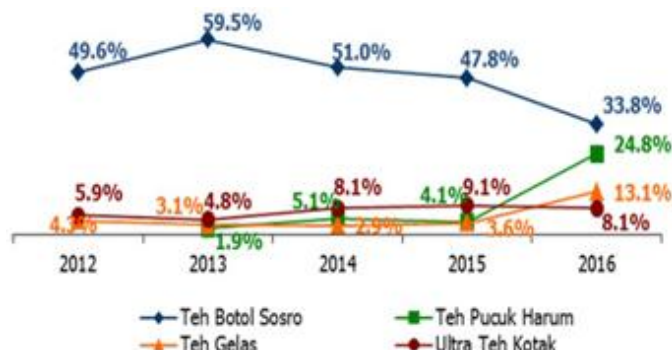


Figure 1: Survey results of Brand top Index from 2012 - 2016

The Tehbotol Sosro brand remains in the top position far ahead from other ready-to-drink tea brands in the past 5 years, even though in 2016 it was almost able to be pursued

by its competitors in the past year, and slowly, almost overtake the leader of ready-to-drink tea, Tehbotol Sosro. One of the things that might cause differences in the Top Brand Index above is the difference in brand strength. Consumers as decision makers become more selective in their decision-making processes, with many brands of ready-to-drink tea in packaging that are currently available at PT. Sinar Sosro with its superior product Tehbotol Sosro must make creative innovations in attracting consumers to keep making Tehbotol Sosro become their first choice ready-to-drink tea in package.

2. Theoretical basis

Tea Plants

Tea (*Camelia Sinensis (L) Kuntze*) is a non-alcoholic beverage which is popular to many people. Tea as a drink ingredient, made from young shoots that have through certain processing. Tea leaves contain ingredient that are beneficial for human health, from various research results, tea contains natural ingredients that can stimulate health, namely caffeine to stimulate the work of nervous system; polyphenols that can increase the body's resistance against viruses and bacteria; vitamin B-complex for mouth, tongue and lip health; and fluoride which is good for teeth.

Tea plants from subtropical regions, therefore in Indonesia they are planted in highland areas, starting from the coast to the mountains. In Asam Mountains, tea is planted at an altitude of more than 2,000 masl. Generally, tea plantations are developed in mountainous regions with cool climates.

Brand Equity

Brands are in the form of images, word names, numbers, composition or combination of elements. Philip Kotler and Keller (2007) defined brand equity as a set of assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to the company and customers. According to David A. Aaker (Managing Brand Equity, 1991) in Duriyanto, et al (2001) brand equity can be grouped into five categories:

- a) Brand Awareness, shows the ability of a prospective buyer to remember or recall that brand is part of a particular product category.
- b) Brand Associations, reflects the image of a brand towards a certain impression to habits, lifestyle, benefits, product attributes, geography, competitor prices, celebrities and others.
- c) Perceived Quality, reflects the customer's perception towards overall quality / superiority of product or service regarding the intended purpose.
- d) Brand Loyalty, reflects the level of consumer interest with a product brand.
- e) Other proprietary Brand Assets (other brand assets)

Buying Decision

Nugroho (2003) states that purchase decision is an integration process that combines the attitude of knowledge to evaluate two or more alternative behaviors, and chooses one of them. Decision making is an individual activity that is directly involved in obtaining and using the goods offered. Decision-making stages can be described as follows:



Figure 2: Stage of the Purchase Decision Process
 Source: Kotler and Armstrong (2001)

Research Methods

The data analysis model is using linear regression analysis $Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + e \dots\dots\dots (2)$

Where:

- Y : Purchase decision variables for Tehbotol Sosro products
- α : Constants
- β_{1-4} : Regression coefficient
- X : Brand equity
- X1 : Brand awareness
- X2 : Brand association
- X3 : Perceived quality
- X4 : Brand loyalty
- e : Interference (error)

The population of this research is Tehbotol Sosro consumers in Palembang with sample of 100 people using Slovin formula.

Research Result

The results of regression analysis influence the brand equity on elements of brand awareness, brand association, brand perceived quality and brand loyalty towards customer decisions.

Model	Coefficient	t _{hitung}	t _{tabel}	Sig t	Hypotesis
Constants	4,518	2,371		0,020	
B awareness (X1)	-0,06	-0,473	1,66	0,638	Rejected
B association (X2)	0,266	2,170	1,66	0,033	Accepted
P quality (X3)	0,722	4,495	1,66	0,000	Accepted
B Loyalty (X4)	-0,266	-1,496	1,66	0,138	Rejected
R	0,611				
R ²	0,373				
F	12,656				Accepted
F _{tabel}	2,489.				

Significant on $\alpha = 5$

Source: Analysis results processed, 2017

The results of the regression analysis on table above can be written in the form of equations as follows: $Y = 4.158 + (-0.06)X_1 + 0.266X_2 + 0.722X_3 + (-0.266)X_4 + e$

a) The influence of brand equity on brand awareness elements towards purchase decisions

Based on linear regression analysis, brand equity indicators of brand awareness elements do not affect purchase decisions at -6% or have a negative effect which means that if the brand awareness element is increased by 1% or reduced by 1% then it does not significantly influence the purchase decision. Thus it can be concluded that the brand equity variable on the brand awareness element has a negative influence towards the purchase decision of Tehbotol Sosro products. This phenomenon can occur according to the author, even though the Tehbotol Sosro brand has brand awareness that already strong enough in consumers' minds, but from the research result is not possible to affect the purchase decision directly because of

the promotion strategy from PT. Sinar Sosro towards the Tehbotol Sosro brand both in mass media, social media or at the events now is considered less compared to the promotion of ready-to-drink tea beverage brands in other packages that are now emerging so that even though consumers know and aware of the Tehbotol Sosro brand does not make consumers directly decide to purchase this brand. Another possibility is possible because the availability of Tehbotol Sosro products at the outlet when research was carried out is not evenly distributed so that consumers can reach other brands.

b) The influence of brand equity on the brand association dimension towards purchase decisions

Indicators of brand association (X2) influence the purchase decisions by 26.6% or have a positive effect which means that if brand association is increased by only 1%, then the purchase decision (Y) will increase by 26.6%. Thus it can be concluded that brand equity variables on the element of brand association have a positive influence on purchase decisions.

c) The influence of brand equity on the perceive quality dimension towards purchase decisions

The brand equity indicator on the perceived quality (X3) dimension affects consumer behavior by 72.2% or has a positive effect which means that if the perceived quality element is increased by only 1%, then the purchase decision (Y) will increase by 72.2%. Likewise, if the quality indicator is lowered by only 1%, then the purchase decision (Y) will decrease by 72.2%. Thus it can be concluded that the brand equity variable on the perceived quality element has a positive influence on purchase decisions. In order to create good quality perception of product in consumers' minds, it must be followed by a real increase in product quality to making easier of purchase decisions.

d) The influence of brand equity dimensions on the brand loyalty towards purchase decisions

The indicator of brand loyalty (X4) does not affect purchase decisions at -26.6% or has a negative effect which means that if the element of brand loyalty is increased by only 1%, it will not affect the purchase decision (Y). Vice versa, if the location indicator is reduced by only 1%, it will not affect the purchase decision (Y). So, it can be concluded that the brand equity variable on the brand loyalty element does not have a significant effect on consumers' decision behavior.

The results of this study also contradict with Aaker's theory (in Alinegoro, 2014) stated that when consumers have high brand loyalty, the product has a high level of confidence in brand they choose when making purchase decisions. According to Durianto, et al. Dappersat brand loyalty provides satisfaction feeling and likes for brand and creates confidence feeling for consumers to consume the brand. This opinion is supported by the opinion of Swastha and Irawan, 2005 which suggests that the factors of influence purchase decisions are related to emotional feelings, if someone feels satisfied in buying the products, then it will strengthen the buying decision. According to this author, it can occur because the characteristics of consumers in this brand loyalty element is 22.2% at switchery level, meaning consumers with various considerations, which many choices of other brands in market so consumers become unfaithful to

Tehbotol Sosro brand. So that loyalty to Tehbotol Sosro brand has not been strong enough.

e) The influence of brand equity variables on the four dimensions of brand equity, namely: brand loyalty, brand association, perceived quality and brand loyalty simultaneously towards purchase decisions

This test is conducted to find out how far all the independent variables affect the dependent variable simultaneously (Bawono, 2006). By looking at the table above, the value of $F_{count} = 12,650$ F tables can be searched by looking at the df column, ie df numerator = 4 and df denominator = 85 while α : 5%, then the value of F table = 2.48. Based on the value of F_{count} and F table, then $F_{count} > F_{table}$, so that it can be concluded that the independent variables simultaneously influence the dependent variables. And in other words, the hypothesis of brand equity variable on the elements of brand awareness, brand loyalty, perceived quality and brand loyalty jointly influence the consumer decisions. This study is supported by previous research conducted by Massie (2013), which stated brand equity, brand awareness, brand loyalty, perceived quality and brand loyalty simultaneously had a significant effect towards consumer purchase decisions. The results of this study are supported by Aeker theory (in Alinegoro, 2014) that:

- 1) When consumers have a brand awareness, the consumer's confidence to make a purchase decision will be higher because the level of risk will be lower towards product purchased
- 2) When consumers have high brand association caused by a good brand credibility in consumers' minds, then self-confidence of consumers in making purchase decisions will be even greater for the brand
- 3) When consumers have high brand loyalty, then consumer has high self-confidence with the choosen brand when making purchase decisions and
- 4) When consumers have a high perception of the quality product, then it will be easier for them to make purchase decisions

Those things are supported by the opinion from Durianto et al (2004) that brand equity is very important or useful because it simplifies the process of purchase decisions, because consumers can easily distinguish the products they buy with other products.

Those things are supported by the results from coefficient of determination test that used to show the extent of relationship between the dependent variable and the independent variable or the extent of the ability of independent variables can influence the dependent variable. According to Gujarati in Bawono (2006), Coefficient of determination analysis (R^2) is used to find out how much the percentage (%) influences the overall independent variables (X1, X2, X3, X4) towards the dependent variable (Y). This test is conducted by looking at the R^2 in the results of regression equation analysis. If the accepted coefficient number (R^2) is getting closer to 1, it means that the regression model is increasingly appropriate as the estimator model towards the dependent variable (Y).

3. Conclusions

- 1) Consumer perceptions of Tehbotol Sosro brand in glass bottles packaging are strong. It means that the Tehbotol Sosro brand already has a place in consumers' minds such as high brand awareness, brand association, good perceived quality and brand loyalty that are not strong enough yet. While based on the results of direct interviews from four equity brand dimensions showed that the brand awareness and perceived quality is the strongest brand equity dimension.
- 2) Variable of brand equity dimensions on brand awareness have no significant effect towards purchase decisions. Thus it can be concluded that the brand equity variable on brand awareness element has a negative influence towards the purchase decision of Tehbotol Sosro products, this can occur according to the author, although the Tehbotol Sosro brand has strong brand awareness in consumers' minds, but the research results is not possible to affect purchase decision because of the current promotion strategy from PT. Sinar Sosro for Tehbotol Sosro brand is considered less compared to the promotion of other ready-to-drink tea beverage brands in packages that are now popping up, so that even though consumers know and aware of Tehbotol Sosro brand, it does not make consumers decide to choose this brand directly. Another possibility is possible because the availability of Tehbotol Sosro products was not evenly distributed at the outlet when this research conducted so that the consumers could reach other brands.
- 3) Brand equity variables on brand association dimensions affect purchase decisions by 26.6% or have a positive effect on purchase decisions so that the hypothesis is accepted.
- 4) Brand equity variables on perceived quality also have a positive effect on purchase decisions of 72.2%. This means that with this test, the perceived quality hypothesis is accepted more easily in making purchase decisions.
- 5) Brand equity variables on brand loyalty from the research results does not affect the purchase decision. According to this author, it can occur because the characteristic of consumers in this brand loyalty element is 22.2% at the switchery level, meaning consumers with various considerations which many choices of other brands in market so consumers become unfaithful to the Tehbotol Sosro brand. So that loyalty to the Tehbotol Sosro brand has not been strong enough.
- 6) Simultaneously, brand equity with four dimensions namely brand awareness, brand association, perceived quality and brand loyalty have a significant effect on purchase decisions. The brand equity dimension that has the most influence on purchase decision is the perceived quality which is equal to 72.2%. This means that consumer perceptions are very influential to the overall quality or superiority of a product or service related to what is expected by consumers towards consumers purchase decisions on products from the Tehbotol Sosro brand.

4. Suggestion

Based on the research results and discussion from the conclusions that described earlier, there are several

suggestions that will be given as inputs for consideration and decision making that are expected to be beneficial for PT. Sinar Sosro in an effort to increase the consumer purchase power as follows:

As the market leader for the ready-to-drink tea segment, PT. Sinar Sosro should not be complacent and satisfied because many competitors from other large companies have glanced at the big opportunities in ready-to-drink tea in package beverage business. Competitor can attempting in order to win the market share that Sosro has got. To maintain and increase the brand equity of Tehbotol Sosro, PT. Sinar Sinar Sosro can improve the sponsorship for activities in society (general, campus and school) that can add credibility for company and brand image that can ultimately strengthen the brand equity of Tehbotol Sosro brand.

The results of brand equity research from brand awareness and brand loyalty do not affect consumers purchase decisions, therefore company is advised to always concern and maximize those variables by increasing promotion strategy and maintaining the Tehbotol Sosro products as it remains in the "reach of the hand" of consumers, which means wherever and whenever consumers want to buy the products of Tehbotol Sosro, these products are available in order to make purchase decisions happen. So that consumers remain satisfied and loyal towards the Tehbotol Sosro brand.

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