

The Analysis of Brand Equity and Promotion to the Buying Decision Process of Suzuki Motorcycle

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ABSTRACT

This research was conducted to analyze the effect of promotion and brand equity on consumer buying decision process on Suzuki motorcycle. The number of respondents in this research was 40 respondents. Data collection method was using questionnaires and data analysis method was using qualitative analysis and structural equation model (SEM) with Partial Least Squares software (PLS). The result of the research shows that there is significant influence of promotion and brand equity on the process of purchasing decisions Suzuki motorcycle. Besides, it found that Brand Awareness is the most powerful indicator in shaping the Brand Equity and consumer buying decisions is the most powerful indicator in explaining the buying decision process.

Keywords : Brand Equity , Promotion , Decision Purchase , Buying Decision

INTRODUCTION

Background of Study

Pertaining to the technology advancement at this time, especially internet, prospective customers are as if converged and simplified by the websites and social media applications. In this disruption era, everyone has at least one single social media account, or that everyone surely understands how to empower the internet since most of people have altered their real activities in the beginning to the cyberspace activities at recent. This circumstance attracts many companies' attention to compete providing an online business platform. According to Aaker (1997) Brand Equity is a set of brand asset 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 a firm and/or to that firm's customers. In accordance with Kotler and Armstrong (2014:77) promotion is the activities that communicate the merits of product and persuade target customers to buy it. This reasons determine that the consumers must identify and understand a brand of product before execute buying.

Brand becomes the most important thing of consumers because it gives choice, eases making decision, guarantees the quality, avoids risk and shows self-expression (Temporal and Lee, 2002:44). Product which has Brand Equity will meet consumers' expectation and they will make decision in procurement. Promotion is one of important marketing action for corporation in continuity preservation effort as well as improving sales. Promotion is observed as an activity of communication between seller and buyer and that is an activity which helps making decision in procurement as well as directing and bring all

parties superiorly to act better. (Swasta, 2001, page 153). In making a decision to buy something, a consumer will face a series of stage commonly called a process of buying decision. In conformity with Kotler (2003, page 200), he exclaims that the process of making decision consists of recognizing needs, searching information, evaluating alternatives, buying decision, behavior after buying. One of strategies to deal with the competition is improving brand equity because it is going to be obvious differentiator so that will reduce consumers' decision to change over other brands. This study entitled The Analysis of Brand Equity and Promotion to Buying Decision Process of Suzuki Motorcycle.

Problem Formulation

Based on the explanation stated above, so the problem formulated of this study is:

“Does the brand equity and promotion take effect to buying decision of Suzuki Motorcycle?”

Objective of Study

Based on the problem formulation, the objective of study is identified as:

“To particularize the effect of brand equity and promotion to buying decision of Suzuki Motorcycle”

LITERATURE REVIEWS

1. Brand Equity

In the view of Kotler and Keller (2009:263) is the added value endowed on product and services. It may be reflected in the way costumers think, feel, and act with respect to the brand, as well as in the prices, market shares, and profitability the brand commands for the firms. Brand equity is a power of brand. Through a potent brand, company can manage their assets well, increase cash-flow, expand the market share, assign premium price, improve sales, maintain stability and upgrade excellent competitive. In marketing a product, company does not solely hold a brand, but also contend its brand in order to obtain equity because brand equity is a thing which will be the main asset of the company. Brand equity consists of four variables (Quan Tran and Carmen Cox, 2009, according to Isoebianto, 2014:19) that:

1. Brand Awareness

As stated by Aaker (1997) brand awareness is the ability of a potential buyer to recognize or recall that a brand is a member of certain product category.

2. Perceived Quality

In agreement with Aaker (1991:85) perceived quality is a customer's view against the overall quality and excellence of products or services which appropriate with the customers' expectation.

3. Brand Association

According to Aaker (1997:29) brand association is giving impression of certain brand to customer related to particular things based on their point of view.

4. Brand Loyalty

In line with Aaker (1991:39) he exclaims that brand loyalty is a measure of attachment and involvement that customer has to a brand. Brand loyalty definitely affects to the susceptibility of customers from competitor incursion.

2. Promotion

Promotion is one of elements in marketing mix. It belongs to all actions intended to targeted customers, which aims to facilitate the relationship process with customers for reaching formulation of the importance of commodity to get the highest customers' satisfaction and their needs for comparing with competitor's commodity (Mahmud I. Nour et al.).

Promotion becomes one of key factors in marketing mix and has important role in succeeding the market. Promotion is used to ensure that customers know the product offered by the company. Marketing Mix is the combination of several channels that are used to communicate the message of promotion to customers. The channels which are commonly used are; advertisement, direct promotion, public relation and publicity, personal sales, sponsor and sales promotion. One of the most important is sales promotion.

According to Kotler and Armstrong (*Komunikasi Bisnis* 2008), they define the dimensions of promotion as follow:

1. Advertising is a form of communications executed by marketer to inform and persuade market and targeted market. In conformity with the low cost, advertisement can reach out many buyers who are spread in different place (target market).
2. Sales Promotion is a long-term incentive offered to customers or society and broker to stimulate the buying desire to product.
3. Public Relations is the effort to attract the positive attention from the society toward the company as well as its products with hot news, press conference in certain events, implement the actions which attract society's attention.
4. Direct Marketing is a form of promotions directly by promoting products or goods to acquire real-time reaction from customers.

3. The Process of Buying Decision

Buying decision is a decision of someone in opting one of several alternative choices. (Schiffman and Kanuk, 2000:437). In making decision to buy something, the customer faces several stage or process. The stage of buying decision according to Schiffman and Kanuk is:

1. Problem Recognition

Problem recognition is a situation where the difference appears between expected situation and the situation happens (Sumarwan, 2004:234).

2. Gathering Information

The information gathering begins done when customers assume that the decision can be fulfilled by buying and consuming a product (Sumarwan, 2004:294).

3. Alternative Evaluation

Alternative evaluation is an evaluation process against either opted product or brand which corresponds with customers' desire (Sumarwan, 2004:294)

4. Buying Decision

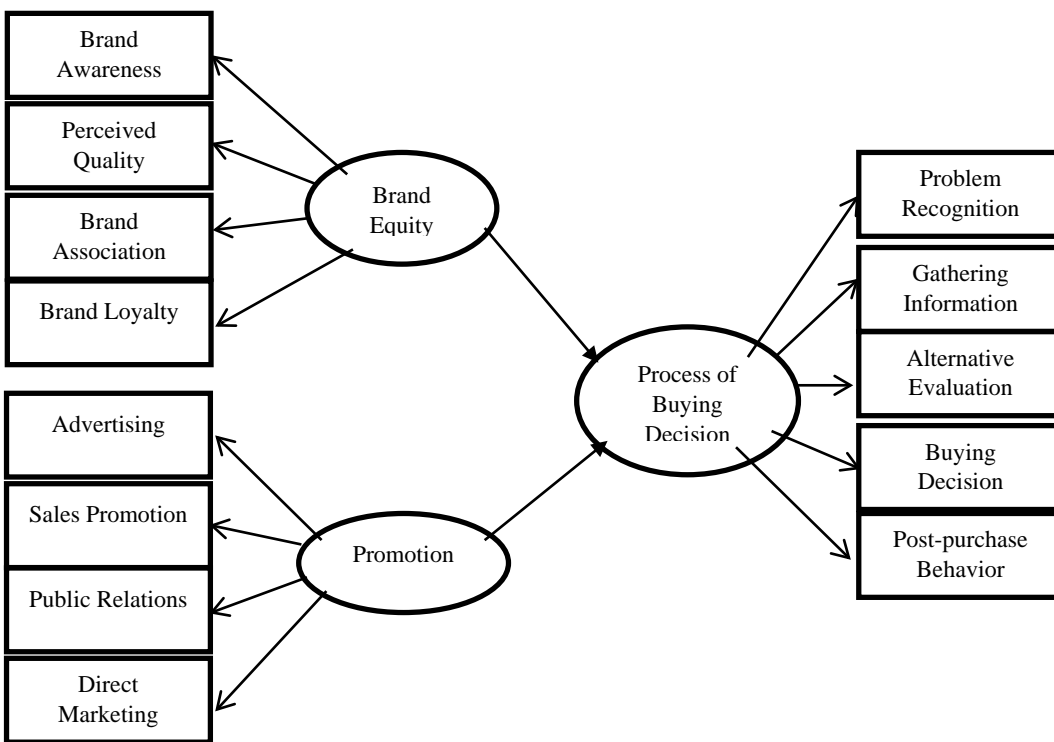
The firm confidence of customers or consumers is the assurance that buying decision which has been taken is right (Astuti and Cahyadi, 2007 through Tria Hanin, 2011)

5. Post-purchase Behavior

Customers will evaluate whether the product has been bought can bring satisfaction or not. If it is satisfied and meet the customers' expectation, so there will be possible for them to do repurchase.

Research Model

According to the explanation stated above, so the conceptual framework will be discussed in this study can be explained in the following figure:



RESEARCH METHOD

Definition of Operational Variable

1. Brand Equity

According to Aaker and Humdiana (2005) Brand equity is a set of brand asset and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by product or service to a firm and/or to that firm's customers.

Based on Aaker (1991) brand equity variable is measured by:

1. Brand Awareness

According to Aaker (1997) brand awareness is the ability for a customer to recognize or recall that a brand is a member of certain product category. It is in line with Fadli and Inneke (2008) this indicator can be measured by three sub-indicators. They are introduction to brand, advertisement that is used and promotion.

2. Perceived Quality

As stated by Aaker within Rangkyu (2002:41) perceived quality is the customers' perceived toward overall quality and excellence of product and service is same with the expected purpose.

3. Brand Association

In accordant with Aaker (1997) brand association is everything related both directly and indirectly with the customer's memory about certain brand. Referring to Fadli and Inneke (2008) the indicator of brand association can be measure by three sub-indicators. They are price of product, safety of product and point of sales.

4. Brand Loyalty

According to Rangkyu (2002:60) in Oon Boy & Endang S (2011), brand loyalty is one standard customers' loyalty to a brand. As stated by Fadli and Inneke (2008) this indicator can be measured by three sub-indicators. They are brand priority, desire of repurchase and switchover other brands.

2. Promotion

According to Kotler and Armstrong (2014:27) Promotion is the activity that communicate the merits of product and persuade the target customer to buy it. By reference to Kotler and Armstrong (*Komunikasi Bisnis*, 2008), they define the dimensions of promotion as follow:

1. Advertising

Corresponding to Kotler and Armstong (2008:150), advertising is all forms of non-private presentation and promotion of ideas, goods, or services which are paid by particular sponsor. To measure advertising variable, it is used the following indicators: 1. the information discoverability of product from various media tends to be easy, 2. the used media design is interesting, 3. The conveyed information from media are clear, 4. The content from media is trustworthy.

2. Sales Promotion

Sales Promotion is a long-term incentive offered to customers or society and broker to stimulate the buying desire to product. In regards with Kotler and Armstrong (2008:204), to measure sales promotion variable, this uses

several indicators as follow: 1. the amount of incentive offered belongs to interesting, 2. the offered incentive is various, 3. the requirement to get offered incentive is clear, 4. the execution time of incentive is done promptly.

3. Public Relation

Public relation is the effort to attract the positive attention from the society toward the company as well as its products with hot news, press conference in certain events, implement the actions which attract society's attention. According to Kotler (2009) the indicators of public relations are as follow: 1. the news, it contains the good-image company information, 2. society service activity, it relates the service which has important role to the image of company, 3. identity, the unique identity must be different from others. Identity characterize the good image of company to customers.

4. Direct Marketing

Based on Fandy (2008:232), direct marketing is the interactive marketing which empowers one or several advertisement media in appearing measurable response and/or transaction in any place. According to Repiyanti (2013) the direct marketing indicators can be classified as follow: 1. e-mail, 2. telemarketing, 3. face-to-face selling.

Buying Decision Process

In keeping with Kotler (2009) buying decision is several stages which committed by customers prior to make buying decision of certain product. It has five stages where each stage contains the indicators that can affect customer's action. According the data from Kotler (2007:200) those five stages are as follow:

1. Problem Recognizing

The initial stage of buying decision is the customers recognize presence of necessity matter about the product which will be bought. Customers feel there is a difference between real circumstance and expected circumstance. The necessity is definitely triggered by internal stimulation (needs) and external stimulation (influence similar product user based on needs).

2. Gathering Information

The stage of buying decision which can stimulate customer to gather more information. Customers are probably improving the attention or gathering information actively.

3. Alternative Evaluation

Process which is done by customers for using the obtained information for evaluating existing alternative, the process of selecting products that are going to buy.

4. Post-purchase Behavior

This is a following-up action after buying based on customers' satisfaction about the product used.

POPULATION, SAMPLING, SAMPLING TECHNIQUE, AND

DATA ANALYSIS TECHNIQUE OF POPULATION AND SAMPLING

Population in this study involves the employees who work in industrial area. The sample of this study is 40 people which are not the Suzuki motorcycle customer. The reason of taking 40 samples is for fulfilling the requirement with method of Structural Equation Modelling (SEM).

Sampling Technique

Sampling technique used for this study is Purposive Sampling, where the researcher opts the samples based on assessment of the sample characteristic which correspond with the purpose of study. The criteria of sampling are as following:

1. Male
2. Worker with minimum 25 years old
3. Have never used Suzuki motorcycle.

Data Analysis Technique

Analysis technique that is used for processing data in this study is Structural Equation Model (SEM). Further, this study will use three testing procedures. They are Validity and Reliability Testing, Regression Analysis and Hypothesis Testing.

Validity and Reliability Testing

Validity is t-value with loading factor is bigger than critical value (>1.96 or practically >2). Reliability is closely related to the consistency of manifested variable in measuring its latent construct. So that, it is said a good construct reliability if its value is >0.7 .

Composite Reliability and Cronbach's Alpha

The result of *composite reliability* test shows the good values because the overall latent variable values have *composite reliability* value ≥ 0.70 . At the same time, *cronbach's alpha* test shows the good values because the overall latent variable values are ≥ 0.70 too.

	Composite Reliability
Buying Decision	0.855
Brand Equity	0.829
Promotion	0.833

The other method to test *discriminant validity* is examining the value of square root of *average variance extracted* (AVE) of each construct with correlation between one construct and another construct in model, so it has a good value. It can be concluded that the square root of *Average Variance Extracted* (AVE) for each construct is higher than the correlation between one construct and another construct in model. Referring to that AVE value, so the construct in the estimated model meet the criteria of *discriminant validity*.

The Result of AVE Testing

Buying Decision	0.501
Brand Equity	0.545
Promotion	0.503

Composite Reliability and Cronbach’s Alpha

The purpose of *composite reliability* and *cronbach’s alpha* test is designated for testing the instrument reliability in a research mmodel or measure the internal consistency where the value must be above 0.60. If the overall latent variable values have composite reliability or cronbach’s alpha ≥ 0.70 . That means, the construct has good reliability or the questionnaire which was used in this research has already been reliable and consistent.

	<i>Cronbach's Alpha</i>	Remark
Buying Decision	0.767	Reliable
Brand Equity	0.792	Reliable
Promotion	0.758	Reliable

Structural Model Testing/Hypothesis Thesis (*Inner Model*)

This inner model testing is a development of the conceptual base model and theory in order to analyze correlation between exogenous and endogenous variable, it has been explained in conceptual framework. The testing stages against structural model (*inner model*) are done with the following steps.

R-square Value

R-square is a goodness fit model testing.

R² Endogenous Variable Value, Buying Decision’s R Square = 0.376

Structural model identifies that the model of buying decision variable tends to be LOW, because it has value under 0.67. The independent latent variable effect model (promotion and brand equity) against buying decision results R-Square value as 0.376 which can be interpreted that the promotion and brand equity construct variability is 37.7% whereas the rest 63.3% can be explained with the other variables beyond this research.

Hypothesis	Testing Result
Table	
	Standard
	Original Sample
	Deviation
	T Statistics
	Remarks
	(O)
	(STDEV)
BE -> KP	0.155
	0.213
	0.730
	Does not affect - significantly
Refer to the	above table, it is
explained that:	P -> KP
	0.508
	0.170
	2.991
	Affects - significantly
	Source : Output PLS 2018

1. According to hypothesis testing of this research, it is obtained T-static value 0.730 and the original sample value 0.155. T-static value is smaller than T-table value 2.02 and the original sample point out positive value. This result shows that Brand Equity does not positively and significantly to the buying decision of Suzuki motorcycle.
2. According to hypothesis testing of this research, it is obtained T-static value 2.991 and the original sample 0.508. T-static value is more than T-table 2.02 and the original sample shows positive value. This result shows that promotion affects positively and significantly to the buying decision of Suzuki motorcycle.

DISCUSSION

The effect of brand equity to the process of buying decision shows that t_{count} is 6.71 much bigger than t_{table} worth 1.96 which means the effects are positive, strong and significant. So, this study hypothesis asserts that brand equity affects to the process of customer's buying decision of Suzuki motorcycle in Cikarang, Bekasi is accepted. The result of this study supports the previous research done by Humdiana (2005), brand equity gives self-confidence to customer in making a buying decision from the previous experience which can increase customers' satisfaction with using experience. This result of study also supports the previous research done by Arianis Chan (2010) even though it has different background of sample.

Furthermore, it is find that four indicators which form brand equity, sequentially the most contributing indicators to brand equity is *brand loyalty* ($R^2=97\%$), *brand awareness* ($R^2=70\%$), *perceived quality* ($R^2=53\%$) and *brand association* ($R^2=53\%$). From the data result, it explains that brand loyalty becomes most dominant indicator in forming brand equity of Suzuki Motorcycle for customers in Cikarang, Bekasi. That explains also that brand loyalty is a measurement of customer's fidelity

(Aaker:1997) which is the essence of brand equity that has been central idea in marketing. It is because brand equity is a measurement of customer's linkage to specific brand.

Whereas, the process of buying decision, the sequence indicators which can explain process of customers decision in buying is *buying decision* ($R^2=91\%$), *alternative evaluation* ($R^2=83\%$), *gathering information* ($R^2=76\%$), *problem recognition* ($R^2=63\%$), and *post-purchase behavior* ($R^2=41\%$). This study result does not support the research done by Arianis Chan (2010) because it has different background of sample and the post-purchase behavior becomes most dominant indicator in revealing buying decision process.

CONCLUSIONS AND SUGGESTIONS

Conclusions

From the result of hypothesis testing and discussion, so the conclusion that can be explained of this study are as follow:

1. Hypothesis shows that brand equity variables doesn't affect positively and significantly to the process of buying decision of Suzuki motorcycle is accepted.
2. Hypothesis shows that promotion variables affect positively and significantly to the process of buying decision of Suzuki motorcycle is accepted.
3. According to data analysis researched, it is known that brand loyalty becomes the most dominant indicator in forming brand equity of Suzuki motorcycle.
4. That according to data analysis researched, it is known that the indicator of buying decision becomes the most dominant indicator in explaining buying decision of Suzuki motorcycle for customers.

Suggestions

Academic Suggestion

For future researchers who are going to execute the same or further research, it is expected that they can develop the research variables because there are other variables which have not been inserted to this study, such as: image and brand attitude which can evaluate the overall brand to analyze the quality and satisfaction of certain product so that can increase brand equity and buying decision.

Practical Suggestions

Based on the research result, the researcher gives the practical suggestions are as follow:

1. The company needs to pay attention to dimensions which form brand equity so the company can periodically discover customers' attitude to Suzuki motorcycle in order to keep up the customers not to switchover another brand.
2. The company needs to increase brand equity in association and perceived quality for fulfilling customers desire in order to bring up the brand awareness in customer's mind.

3. The company needs to pay attention to the quality of product because Suzuki motorcycle's customers tend to compare to the other brands at first. So, the better quality will impact better perceived to Suzuki motorcycle. In this case, it will determine the customers' satisfaction level and customers' post-purchase behavior.

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