THE IMPACT OF BRAND EQUITY TOWARDS CONSUMER’S PURCHASE INTENTION
(An Empirical Study of Teh Botol Sosro Product, on College Student in Faculty Economics and Business University of Brawijaya Malang)

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Abstract
The purpose of this research is to examine the influence of Brand Awareness, Brand Association, Perceived Quality and Brand Loyalty on Purchase Intention of Teh Botol Sosro consumers ready to drink tea either partially and simultaneously on Teh Botol Sosro consumers on College Student in Faculty Economics and Business University of Brawijaya Malang. Further purposive sampling technique was used in this research 120 respondents. The analysis tools are Multiple Linear Regression Analysis to determine the relationship between independent variable and dependent variable. The result of the study explained that there is a significant effect between brand association and brand loyalty on consumer purchase intention. Brand awareness and perceived quality no significant effect on consumer purchase intention. Therefore, the research result shows that brand loyalty is the dominant variable that affects consumer purchase intention.

Keywords: Brand Awareness, Brand Association, Perceived Quality, Brand Loyalty and Purchase Intention.
BACKGROUND

The current condition of Indonesian’s economic growth is still running at a fairly high rate despite the fact that there is a kind of uncertainty in the world’s economy. According to the Central Bureau of Statistics (2015), the Indonesian Economy in the third quarter of 2015 third grew up to 4.73% and this has undergone an increase compared to the second quarter of 2015 which reached 4.67%. happening in the same period last year, ie 4% -6% (Triyono, 2015). The total consumption of ready to drink tea in Indonesia comes at the second position after mineral water. According to the data from the Association of Soft Drinks Industry (Asrim) (2014)

According to Keller (2003), explained the three levels of brand awareness namely to know the product or Recognition, to consider the product or Recalling, and Top of Mind. Brand awareness refers to the customer’s memory or potential customer’s memory about the product. Brand association according to Keller (2003), has many associations related to a brand, namely: product attributes, benefits to customers, the relative price, usage, and others. Brand association also refers to all matters relating to the brand. Kotler (2000), explained that Perceived quality draws attention to the intimate connection of some aspects like product and service quality, customer satisfaction, and company profitability. (Chaudri and Holbrook 2001, p.82), explained that brand loyalty is a degree of dispositional commitment in terms of some unique value associated with the brand. In order to increase purchase intention Kotler (2003), stated that there are stages to follow namely problem recognition, information search, and alternative assessment. According to (Schiffman and Kanuk, 2007:238) Purchase intention occurs when consumer forms a positive intention to buy and it becomes a commitment that the brand is positive and good.

Each company is competing to build brand equity on any products offered to consumers, this situation occurs in almost every business sector is no exception in the soft drinks business in Indonesia, one of which is ready to drink tea. Tea is a drink that almost all people in Indonesia never drink and has become a tradition among the majority of Indonesia is no exception to the students of the Faculty of Economics and Business Universitas Brawijaya (UB), where Teh Botol Sosro be a selection of drinks companion foods that are consumed by students, talking about tea products, there is one name that is memorable and
ingrained in the minds of consumers, namely Sosro. Sosro biggest contribution came from the sale of ready to drink tea. Teh Botol Sosro is a brand that has been known by many consumers and has lasted for decades. Along the time, brands drink another bottle on the market, is a reference to the Teh Botol Sosro, whether Teh Botol Sosro has strong brand equity that can foster consumer’s purchase intention especially in the Faculty of Economics and Business Universitas Brawijaya (UB). The levels and stages of this will help the company to find out the strengths and the weaknesses of Teh Botol Sosro brand equity towards purchase intention of college students at the Faculty of Economics and Business Brawijaya University Malang.

A company needs to monitor the environment that is constantly changing continuously and adjust the marketing strategies to address challenges and new opportunities. The developing environment can cause changes in a person’s needs and desires. Likewise, the development of beverage products that circulates in the Faculty of Economics and Business Brawijaya University Malang including ready to drink tea beverage. The research was conducted on college students of the Faculty of Economics and Business Brawijaya University Malang who are the customers Teh Botol Sosro. The reason is because college student FEB UB already required as a sample from the population. And the evidence in Table 1.1. At the canteen of FEB UB also sell the product of Teh Botol Sosro. Students Faculty Economics and Business University of Brawijaya Malang (UB) already qualified, have the qualities, characteristics, character student consumptive of ready to drink tea and students considered represent youth population as an object of research that can carefully choose the product they want to purchase, especially for products ready to drink tea beverage type. By comparing with other faculties (For example: FTP, Medical, FIA, Law, and etc) the authors think, the students FEB UB is enough to present the sample of this research with the data obtained by the number of students that a lot in FEB UB.

This study aims to determine the effect of brand equity on the purchase intention of Teh Botol Sosro on college students at the Faculty of Economics and Business Brawijaya University Malang. The data are taken from students of Faculty of Economics and Business from 2011 to 2015 batch. Based on the results of academic website updates at the Faculty of Economics and Business, the number of new student in 2015 reached 1034
students. From the data, it can be inferred the greatest number of students at the Faculty of Economics and Business is occupied by 2012 batch reaching 1323 students (FEB Universitas Brawijaya Malang, 2015).

PT. Sinar Sosro, as one of the companies engaged in tea beverage products has been a leader in national sales in Indonesia, brand equity should be maintained in order to become the brand's competitive advantage of the company. It is interesting to brand Teh Botol Sosro because, even the use of the word "Tehbotol" then give Sosro association on its own, that are the hallmark of this brand, so it does not become a common brand.

Besides brand equity must be kept could face tighter competition, because when a product from a manufacturer succeeds then later other manufacturers will release a similar product. The reason, the authors chose Brand Equity as independent variables and Consumer Purchase Intention as the dependent variable because, Consumer Purchase Intention is important to increase company profit and then based on the theory of previous research, the authors choose brand equity as independent variable.

**LITERATURE REVIEW**

**Brand Awareness**

Brand awareness refers to the strength of a brand’s presence in consumers’ minds and is an important component of brand equity (Aaker, 1991; Keller, 1993). Aaker mentioned several levels of brand awareness, ranging from mere recognition of the brand to dominance, which refers to the condition where the brand involved is the only brand recalled by a consumer.

Brand awareness is measured according to the different ways in which consumers remember a brand, which may include unaware brand, recognition, brand recall, top of the mind brand (Aaker, 1997).

a) Unaware brand is the lowest level in the pyramid brand awareness, where the consumer is not aware of the existence of a brand which is done by the aid of recalling (aided recall).

b) Brand recognition is related to consumers’ ability to confirm prior exposure to that brand when given the brand a cue. It requires that consumers can correctly discriminate the brand which has been previously seen or heard.

c) Brand recall: Brand recall relates to consumers’ aptitude to retrieve the brand from memory given the product category,
the needs fulfilled by the category or a purchase or usage situation as a cue. It requires consumers to correctly generate the brand from memory when given a relevant cue.

d) Top-of-mind brand is the brand name that first comes to mind when a consumer is presented with the name of a product classification.

**Brand Association**

A brand association is “anything linked in memory to a brand” (Aaker, 1991, p. 109). Aaker (1991) argued that a brand association has a level of strength, and that the link to a brand (from the association) will be stronger when it is based on many experiences or exposures to communications, and when a network of other links supports it. Brand associations may reflect characteristics of the product.

Brand personalities include symbolic attributes (Aaker, 1996; Keller, 1993; Chen, 1996) which are the intangible features that meet consumers needs for social approval, personal expression or self-esteem (Keller, 1993; Hankinson and Cowking, 1993; Pitta and Katsanis, 1995). The symbolic attributes that are commonly linked to a brand are:

1. Social Image: Lassar et al (1995) argued that social image which includes the attributions a consumer makes and a consumer thinks that others make to the typical user of the brand is more relevant in measuring customer-base brand equity.

2. Perceived value: Consumer choice of a brand depends on a perceived balance between the price of a product and all its utilities (Lassar et al., 1995). A consumer is willing to pay premium prices due to the higher brand equity (Aaker, 1993).

3. Trustworthiness: It refers to the level of confidence a consumer places in the organization (Lassar et al., 1995). As a customer buys a good or service before experiencing it, fostering of trust is a key to build a customer relationship (Kinard and Capella, 2006).


Organizational associations include corporate ability and social responsibility associations (Aaker, 1996; Chen, 2001). Consumers will consider the organization, which is related to people, values, and programs that lies behind the brand. Brand-as-organization can be particularly helpful when brands are similar with respect to attributes or
when a corporate brand is involved (Aaker, 1996). Corporate social responsibility (CSR) influences the development of brands (Blumenthal and Bergstrom, 2003) as the public is interested to know what, where, and how much brands give back to the society.

**Perceived Quality**

Perceived quality is another important dimension of brand equity (Aaker, 1991). Aaker measures perceptions quality using quantitative techniques by providing questions about the quality of products and services. Perceived quality cannot necessarily be objectively determined, because perceived quality itself is a summary construct.

1) Quality of products
   a) Performance: how well a product performs its function.
   b) Features (product characteristics).
   c) Conformance with specifications
   d) Reliability.
   e) Serviceability.
   f) Fit and finish.
2) Quality of service
   a) Reliability.
   b) Responsiveness.
   c) Assurance.
   d) Empathy.
   e) Tangibles.

**Brand Loyalty**

Brand loyalty is a major component of brand equity. Aaker (1991, p. 39) defined brand loyalty as a situation which reflects how likely a customer will be to switch to another brand, especially when that brand makes a change, either in price or in product features. Javalgi and Moberg (1997) defined brand loyalty according to:

1. Behavioral perspectives: it is based on the amount of purchases for a particular brand
2. Attitudinal perspectives: it incorporates consumer’s preferences and dispositions towards brands
3. Choice perspectives: it focuses on the reasons for purchases or the factors that may influence choices

**Purchase Intention**

Purchase intention can measure the possibility of a consumer to buy a product, and the higher the purchase intention, the higher a consumer’s willingness to buy a product (Schiffman and Kanuk, 2000; Yiho et. al 2014). According to Till and Busler (2000:6), 3 items are used to measure purchase intention, which are:

1. Unlikely/likely
2. Improbable/probable
3. Definitely would not/definitely would
Hypotheses:
H1: Brand Awareness has a significant effect on Consumer’s Purchase Intention of Teh Botol Sosro.

H2: Brand Association has a significant effect on Consumer’s Purchase Intention of Teh Botol Sosro.

H3: Perceived Quality has a significant effect on Consumer’s Purchase Intention of Teh Botol Sosro.

H4: Brand Loyalty has a significant effect on Consumer’s Purchase Intention of Teh Botol Sosro.

H5: Brand Equity has a significant effect on Consumer’s Purchase Intention of Teh Botol Sosro.

RESEARCH METHODOLOGY
Data Collection and pro-cessing
This research is an explanatory research that explained the relationship between independent variable on dependent variable. This research applied purposive sampling, that the respondets is the consumers in Faculty Economics and Business University of Brawijaya Malang (UB) who have intention to purchase Teh Botol Sosro product. The research instrument used was a questionnaire were distributed to the 120 respondents in the Faculty Economics and Business University of Brawijaya Malang (UB). Item questions in the questionnaire measured by using a Likert scale. Instrument research test conduct with validity and reability test, to see that the items in the questionnaire are valid and reliable Classical assumption test also use in this research to see whether the data are normally distributed or not and to know there is a multicollinearity and heterosdascity or not. A Multiple Linear Regression was applied to analyze the data in order to determine the significance of independent variable toward dependent variable partially.

FINDING AND DISCUSSION
The data obtained found that from 120 respondents there are 52,5% male respondents and 47,5% female respondents. Most of the respondents were in 20-23 years old with 61 with the latest education 50,83% from S1/S2 and 40% for S1, and 9,17% for S2/S3. The purchasing frequency also shows that most of the respondents has intention to purchase Teh Botol Sosro.

Instrument research test
This validity test for all variable in this research had a value for r test > r table.
Table 4.13
Validity Test Result

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>r calculated</th>
<th>r table</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Awareness</td>
<td>1</td>
<td>.546</td>
<td>0.15</td>
<td>Valid</td>
</tr>
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<td></td>
<td>2</td>
<td>.720</td>
<td>0.15</td>
<td>Valid</td>
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<td></td>
<td>3</td>
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<td>0.15</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>.633</td>
<td>0.15</td>
<td>Valid</td>
</tr>
<tr>
<td>Brand Association</td>
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<td>0.15</td>
<td>Valid</td>
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<tr>
<td></td>
<td>2</td>
<td>.677</td>
<td>0.15</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>5</td>
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<td>Valid</td>
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<tr>
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<tr>
<td>Brand Loyalty</td>
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<tr>
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<td>Valid</td>
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<tr>
<td></td>
<td>3</td>
<td>.570</td>
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<tr>
<td>Purchase Intention</td>
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<tr>
<td></td>
<td>4</td>
<td>.765</td>
<td>0.15</td>
<td>Valid</td>
</tr>
</tbody>
</table>

The reliability test also shows that all variable used in this research has a Alpha coefficient is > 60% significance level, so it can be concluded that the instrument is realiable.

Table 4.14
Reliability Test Result

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s Alpha</th>
<th>Comparative Value</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Awareness</td>
<td>0.801</td>
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</tr>
<tr>
<td>Brand Association</td>
<td>0.819</td>
<td>0.6</td>
<td>Reliable</td>
</tr>
<tr>
<td>Perceived Quality</td>
<td>0.775</td>
<td>0.6</td>
<td>Reliable</td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>0.764</td>
<td>0.6</td>
<td>Reliable</td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>0.885</td>
<td>0.6</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

Classical Assumption Test

Classical assumptions test is to determine the condition of the existing data used in this research. In normality test, the most fundamental assumption in multivariate analysis is normality, referring to the shape of the data distribution for an individual metric and its correspondence to the normal distribution (Hair et al. 2009:70).
From the figure 4.5 above, it shows that the points spread around the diagonal follow the direction of the diagonal line. Thus, it can be concluded that the regression model is suitable with the assumption of normality.

Multicollinearity test shows also shown below:

<table>
<thead>
<tr>
<th>Model</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>X1</td>
<td>.670</td>
</tr>
<tr>
<td>X2</td>
<td>.545</td>
</tr>
<tr>
<td>X3</td>
<td>.434</td>
</tr>
<tr>
<td>X4</td>
<td>.776</td>
</tr>
</tbody>
</table>

VIF value of each variable is less than 10, and it can be concluded that there is no multicollinearity (no relationship between the other independent variables). The tolerance value is also less than 1.

From the data above found that there is a significant of t test for the variable brand association (X2) and brand loyalty (X4), are less than 0.05. It can be concluded that the independent variable are influence significantly on the dependent variable partially. From the results also found that brand loyalty become the dominant results. The Adjusted R Square value is 0.746. It means that the variables Consumer Purchase Intention will be influenced by the independent variables.

### Discussion

In this research, Brand Awareness (X1), Brand Association (X2), Perceived Quality (X3) and Brand loyalty (X4) are used to reveal the consumer ‘s purchase intention on potential consumer of Teh Botol Sosro at the Faculty of Economics and Business Brawijaya University Malang. After conducting a research and analysis, it is found that all the predictors
influence significantly, partially and simultaneously in creating consumer’s purchase intention. Moreover, it can be seen that the frequencies of consumer who answer the questionnaire in the context of disagree, neither disagree or agree and agree are not far different. It means that almost a half of the potential consumers of Teh Botol Sosro still assume that this brand is not quite good and they have low intention to purchase and the others still cannot determine whether their evaluation toward Teh Botol Sosro product is good or not. This happens due to ineffective marketing strategy. Thus, the other respondents think that Teh Botol Sosro is a good brand and having a good product that stimulate them to have intention to purchase.

Conclusion

1. Brand Awareness does not have significant influence on Purchase Intention.

2. Brand Association has significant influence on Purchase Intention.

3. Perceived Quality does not have significant influence on Purchase Intention.

4. Brand Loyalty has significant influence on Purchase Intention.


6. Brand loyalty variable has a dominant influence on consumer’s Purchase Intention of Teh Botol Sosro especially to consumers in Faculty of Economics and Business Brawijaya University Malang.

Limitations

Based on the research result, there are some suggestions which are expected to be useful for the company as well as for other parties. The suggestions are as follow:

1. For the product/Teh Botol Sosro brand and the company in Indonesia generally, it is expected that the company can maintain and improve services to brand loyalty. Brand loyalty is a variable having a dominant influence in affecting consumer’s Purchase Intention by making use of the image of Teh Botol Sosro which has already become a popular brand. It can be done by doing
more promotion in term of advertisement, creating innovation, and making a new and unique packaging. Hopefully, the consumer’s Purchase Intention will increase.

2. For the next research, the researcher suggests to include some variables that can influence consumer’s Purchase Intention, such as reference group, product attribute, brand positioning, brand image, marketing mix, and etc. Moreover, the next researcher can also add more respondents to be included in the next research.

3. For further research, it is expected to continue to develop this research. This study was designed to investigate brand equity in general, so it has not focused on Brand Equity objects in depth, so for other researchers subsequently to be more focused on one or several dimensions of brand equity only in order to create new findings within the scope of Brand Equity.

4. Hopefully, this research can be used as a reference for further research by considering other variables which are not included in this present research.

**BIBLIOGRAPHY**


