PRODUCT ADVERTISEMENT AND BRAND EQUITY EFFECT TO CONSUMER BRAND CHOICE IN MANADO

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ABSTRACT

Company is using advertising as a media to offered products, so the product could be known and sold well in the market place. That is why advertising is made as attractive as possible, so that sometimes can be too extravagate, and ignoring the psychological, sociological, ecological, and aesthetic target audience or product being advertised. The aim of this research analysis is using multiple regression and causal research as a tool to gather data and analysis. This study collected 105 respondents data sample of population of people in Manado. The conclusion of this study is the influence of product advertisement and brand image on consumer brand choice, simultaneously and partially are significant. The recommendation of this research result is to increase brand equity the company should expand the brand engagement to the consumer and give more promotion.

Keywords: *product advertising, brand equity, consumer brand choice*

INTRODUCTION

Advertising as a media to promote some of the products with the purposed to offered products so it can be known and sold well in the market place. That is why advertising is made as attractive as possible, so that sometimes can be too extravagate, and ignoring the psychological, sociological, ecological, and aesthetic target audience or product being advertised. From another point of view, it can be seen that the advertisement is basically a message or information to the public. Through the advertisement, the company as a communicator deliver message to communicants like message about products, the function or other information. Taflinger (1996:39) defined Advertising as non-personal communication of information usually paid for and usually persuasive in nature about products, services or ideas by identified sponsors through the various media.

Type of this research is Causal Research using quantitative method since using questionnaire as a tool to gather data and analysis. This study collected 105 respondents data sample of population of people in Manado. Advertisement, from another point of view, can basically be seen as a message or information to the public. Through the advertisement, the company as a communicator deliver message to communicants like message about products, the function or other information. The advertisements has delivered to audience by using a media such as print media (newspaper, magazine, tabloid, etc,) and electronic media (television and radio).

Mie Sedaap is an innovative product of instant noodle, trusted with its high quality of the special ingredients that serve the taste of Indonesian food. There are so many instant noodles product such as Indomie, Supermie, Sarimie are also popular among instant noodles product. And instant noodles become a choice for meal to busy people, because it is don't take a long time to make and the taste is delicious. Mie Sedap was succeeded in order to introduce their product. Through instant noodle which has many variant of taste, Mie Sedap also engaged the consumer through advertisement. Mie Sedaap has help to open a market chance and increased the sales value. Mie Sedaap was succeeded with the advertisement, by the advertisement Mie Sedaap become a trusted product instant noodles to the consumer. So, with the advertisement and brand equity of Mie Sedaap the consumer will be interest to buy the product because it also offered a good quality product. And Mie

Sedaap become a favorite instant noodle. Hopefully this analysis could give an explanation about an effort of Mie Sedaap to succeed at the market by a good product advertisement and brand equity to consumer brand choice of instant noodle.

Research Objectives

The objectives of this research are to analyze the influence of:

1. Product advertisement and brand equity affects consumer brand choice of Mie Sedap, Simultaneously
2. Product advertisement on consumer brand choice of Mie Sedap, partially
3. Brand equity on consumer brand choice of Mie Sedap, partially
4. The dominant variable of product advertisement and brand equity that has the most significant effect on consumer brand choice of Mie Sedap

THEORETICAL FRAMEWORK

Marketing

Kotler and Keller (2009:45) defined marketing as an organization function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stockholders. Perreault et al (2011:6) defined marketing is the performance of activities that seek to accomplish an organization's objectives by anticipating customer or client needs and directing a flow of need satisfying goods and services from producer to customer or client.

Consumer Brand Choice

People choose to buy a product that can fulfilled their needs and wants. By a large amount of needs and wants, then many of company compete to make products that can fulfill the customer needs and wants. They see it as an opportunity by the thought that most consumer behaviors are performed on a routine basis. Because of many variant of product that available at the market, Spronk (2010) Consumers need to make choices respect to the brand, the product features, the design, thus, all these purchases are represented by a broad number of criteria by which consumers make choices.

Brand Equity

Ambler (2003) defined brand equity as a key marketing asset which can engender a unique and welcomed relationship differentiating the bonds between the firm and its stakeholders and nurturing long term buying behavior.

Product Advertisement

Cravens and Piercy (2006:25) found that Advertising consist of any form of non-personal communication concerning an organization, product or idea that is paid for by a specific sponsor. Kotler and Armstrong (2012:460) defined that advertising is any paid form of non-personal and promotion of ideas, goods, or services by an identified sponsor.

Previous Research

Kazemi and Esmaeili (2010) showed when the rapid growth of various brands in India has led to a tight competition and consumers are faced with brand choice in the market, it becomes necessary for manufacturers to understand the major factors attracting buyers to his own brand. Mela (1997) Investigates there is an uncertainty in both industry and academia about the long-term impact of promotion and advertising on brand performance. The authors examine the long-term effects of promotion and advertising on consumers' brand choice behavior. Christodoulides and Chernatony (2009) finds the gap, to brings together the scattered literature on consumer based brand equity's conceptualization and measurement. Measures of consumer based brand equity are classified as either direct or indirect. Indirect measures assess consumer based brand equity through its demonstrable dimensions and are superior from a diagnostic level. The paper concludes with directions for future research and managerial pointers for setting up a brand equity measurement system.
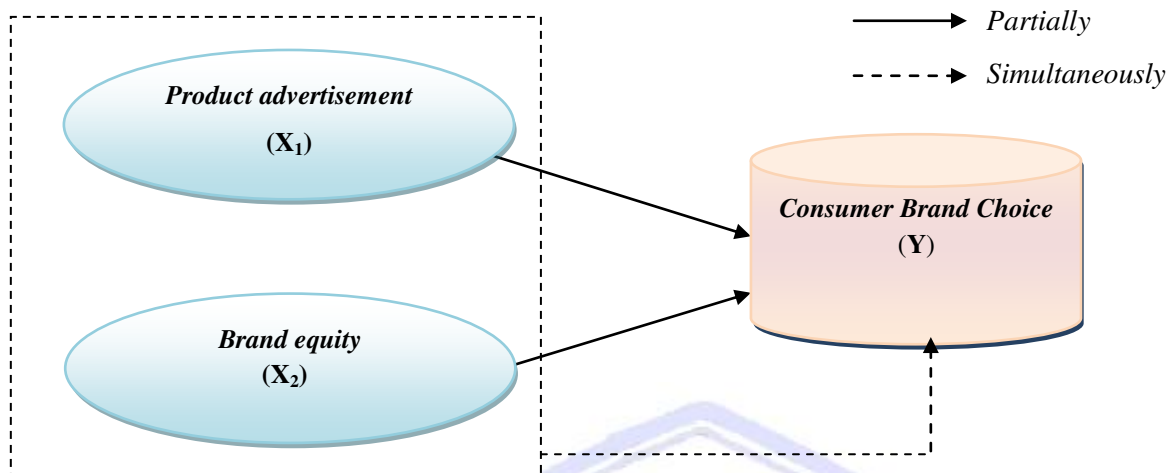
Conceptual Framework

Figure 1. Conceptual Framework

Source: Theoretical Review

RESEARCH METHOD

Type of Research

The purpose of this research was to analyse the effects of product advertisement and bran equity to consumers brand choice. This research also has an analysis data method that is multiple regression. Type of this research is Causal Research. This research is a quantitative method since using questionnaire as a tool to gather data and analysis.

Place and Time of Research

This research occurs at college students, people around Manado city. The study is conducted in Manado between September - December 2013.

Population and Sample

Population of this research is comprised of consumers of Mie Sedap in Manado, North Sulawesi. Based on there are totally of the people in Manado that ever eat Mie Sedap. The random sampling is from the questionnaire survey where the respondents was asked to fill the questionnaire directly.   Sample is concerned with the selection of a subset of individuals from within a population to estimate characteristics of the whole population.

Data Collection Method

Hair et al., (2010:26) to collect the primary data of research by do survey (spread questionnaires) and to collect the secondary data, this research browsed the information through internet, marketing books and marketing journal. Much of primary data collection required for solving marketing problems involves asking questions to respondents and recording their response. To collect primary data, this research does survey by spreading questionnaires to gather information. A questionnaire is a formal framework consisting of a set of questions and scales designed to generate primary raw data (Hair et al., 2010:178).

Operational Definition and Measurement of Research Variables
Operational Definition of Research Variables

The variable of this research will be measured by using Likert-scale. Likert scale is designed to examine how strongly subjects agree or disagree with statements on a five-point scale with the following anchors: 1 = "strongly disagree", 2 = "disagree", 3 = "neither agree nor disagree", 4 = "agree", 5 = "strongly agree" (Sekaran and Bougie, 2009:152).

Data Analysis Method

Validity test is the extent to which the conclusions drawn from the experiment are true (Hair et al., 2010:120). The measurement of validity test in this research is using SPSS software with analyzing MSA (Measures of Sampling Adequacy). Validity test will said its valid if in "Anti-Image Correlation" is more than 0.5. Reliability tests are the extent to which the measurements taken with a particular instrument are repeatable (Hair et al., 2010:156). Reliability tests that used to analyze the collection of data by looking the Cronbach's Alpha. Reliability test will said it's reliable and consistency if alpha is more than or equal with 0.7.

Multiple Regressions Analysis Method

The method of analysis used in this study is multiple regression models to approach the return. To find out the influence of dependent variable within dependent variables used multiple linear regression with the formula:.

$$Y = \alpha + \beta X_1 + \beta X_2 + e$$

Whereas:

Y	: Consumer Brand Choice
X_1	: Product Advertising
X_2	: Brand Equity

RESULT AND DISCUSSION

Result

Validity and Reliability

The Pearson Correlation value indicators of independent and dependent in this research are above 0.3 which mean that all indicator are valid. Reliability table result all the variable are reliable because the value of Cronbach's Alpha is bigger than 0.6.

Multiple Regression Analysis

Table 1. Multiple Regression Result

	Model	Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.140	1.093		2.874	.005
	X1	.376	.072	.470	5.250	.000
	X2	.117	.234	.045	2.500	.046

a. Dependent Variable Y
   Source: SPSS

From the results of the regression equation the Regression Equation is as follows:

$$Y = 3.140 + 0.376X_1 - 0.117 X_2 + e$$

The explanations of the equation are:

1. Constant value of 3.140 means shows influence of independent variable simultaneously on dependent variable. The table above shows that if the variables in this research of X_1 product advertising and X_2 brand equity simultaneously increased by one scale or one unit will increase the consumer brand choice (*Y*) at 3.140 point.
2. Coefficient value of 0.376 means shows influence of independent variable partially on dependent variable that if the variables in this research of product advertising (X_1) increased by one scale or one unit, it will improve and increase consumer brand choice (*Y*) at 0.376.

3. Coefficient value of 0.117 means shows influence of independent variable partially on dependent variable that if the variables in this research of brand equity (X_2) increased by one scale or one unit, it will increase consumer brand choice (*Y*) at 0.117.

Table 2. Table R and R^2

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.846[a]	.820	.199	.67882

a.   Predictors : (Constant), X_2, X_1
b.   Dependent Variable: *Y*
    Source: SPSS

The value of R is 0.846 indicating a substantial positive relationship between independent and dependent variable. The value of R^2 is 0.820 meaning brand equity (X_2) and product advertising (X_1) as independent variables are moderate positive and influence consumer brand choice (*Y*) as much as 82% while the rest 18% other factor is not included in this research.

Hypothesis Testing

Table 3. F-test Result

Model		Sum of squares	Df	Mean Square	F	Sig.
1	Regression	12.833	2	6.417	13.925	.000[a]
	Residual	47.002	102	.461		
	Total	59.835	104			

a.   Predictors: (Constant), X_2, X_1
b.   Dependent Variable: *Y*
    Source: SPSS

Value of 5.134 of F_{Count} significant 0.000. Because the sig < 0.05 means the confidence of this prediction is above 95% and the probability of this prediction error is below 5% which is 0.000. Therefore H_0 is rejected and accepting H_a. Thus, the formulation of the hypothesis that the influence of X_1 product advertising and X_2 brand equity simultaneously on consumer brand choice (*Y*), is accepted.

Table 4. T-test Result

Model		Unstandardized Cooficients B	Std.Error	Standardized Coefficients Beta	t	Sig
1	(constant)	3.140	1.093		2.874	.005
	X_1	.376	.072	.470	5.250	.000
	X_2	.117	.234	.045	2.500	.046

a.   Dependent Variable: *Y*
    Source: SPSS

T-test analysis results are as follows:

1. t_{count} for product advertising (X_1) 5.250 greater than the value of 1.984t_{table} means product advertising (X_1) has significant influence partially on consumer brand choice (*Y*). Therefore, H_a received
2. t_{count} for brand equity (X_2) 2.500 smaller than the value of 1.984 t_{table} means brand equity (X_2)   doesn't has significant influence partially on consumer brand choice (*Y*). Therefore, H_a rejected

Discussion

The result reveals that consumer brand choice is affected by product advertisement and brand equity. The value of R Square is 0.820, which means that 82% variation of consumer brand choice can be explained by product advertisement and brand equity, while the rest 18% is explained by other factors which are not included in this research. R value is 0.846 which explains that the variation in Y is strongly positive association of X_1 and X_2.

The result of the multiple regression analysis shows that the value of significance obtained for product advertisement is 0.376 which is less than 0.05. It means that product advertisement has a significant effect on consumer brand choice. T-test and F-test result shows that product advertisement has partial and simultaneous effects on consumer brand choice. In this case the instrument that is used to measure the product advertisement variable is famous brand, brand popularity, and having a good advertisement.

The significant influence occurs in this research because the product advertisement really does exist in this case, as nowadays there are many people willing to buy a product based on the advertisement either it from print media or electronic media. However, many of them get the desire to buy a certain product mostly from watching television advertising. Most of television advertising delivers a good quality product so that consumers feel compelled to buy and get the product. This thing may indicate that advertising can affect consumer interest to make a purchase. The higher the frequency of a certain advertisement being exposed to consumers, the more the probability of people see it, the more likely it affects consumer's brand choice. Looking at the fact that Mie Sedap is actively producing advertisements, especially TV advertisement adds up to the fact that it is indeed giving more access to its consumers and potential consumers to know better about Mie Sedap which will later on help them to decide which product to buy. This result is supported by similar findings from Kazemi and Esmaeili (2010) which explained that advertising has major influence on consumer choice. The brand that uses the product advertisement experienced a prolonged life cycle as a result generated by the use of product advertisement.

The result of the multiple regression analysis shows that the value of significance obtained for brand equity is 0.117 which is less than 0.05. It means that brand equity has a significant effect on consumer brand choice. T-test and F-test result shows that brand equity has partial and simultaneous effects on consumer brand choice. In this case the instrument that is used to measure the brand equity variable is interest of the product, buying decision, and behavior after the purchase. The finding is in alignment with De Chernatony et. al (2009).

The better the brand equity of a certain brand or product, the more likely it will stand out among other brands or products of the same category. Not only does brand equity add up competitive advantage to the brand, but also it makes that certain brand easier to be recognized and be picked by consumers. It is indeed logical to say that good brand equity is usually well-suited with those products that are in the mature stage of their product life-cycle. Mie Sedaap has been launched into the market many years ago, and people are very well-aware of its existence. That being said, Mie Sedap has proven to be one of the brands that has good values of brand equity as people are already familiar with it and it definitely sets Mie Sedaap apart from other brands of instant noodles, making it superior in this sense.

CONCLUSION AND RECOMMENDATION

Conclusion

The research objectives concludes that:
1. It revealed that product advertisement has a significant influence on consumer brand choice of Mie Sedap. Product advertisement as independent variables are strong positive and influence consumer brand choice.
2. Product advertisement and brand equity has a significant influence consumer brand choice of Mie Sedap. Based on F and T Test, is proved has significant simultaneously and partially influence of consumer brand choice.
3. The dominant variable that has the most significant effect on consumer brand choice of Mie Sedap is product advertisement.

Recommendation

Recommendation is the implication of this research result: To increase brand equity the company should expand the brand engagement to the consumer and give more promotion.

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