

THE INFLUENCE OF ADVERTISING EFFECTIVENESS AND BRAND IMAGE OF SAMSUNG GALAXY S4 ON CUSTOMERS PERCEPTION IN MANADO

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ABSTRACT

The advertising is form of marketing communication used to attract the audience to take some action and it is usually affect by the commercial. The advertising business growing fast and the important thing is how the company communicates the advertising to target market. In this research, the objectives are to investigate the influence of advertising effectiveness and brand image on customers' perception partially and simultaneously. This research is the causal type of research where it investigates the influence of price, product attributes, origin of product, and philosophy to customer loyalty. Using a multiple regression model to answer the research problem. The populations in this study are people in Manado with the total numbers of sample are 60 respondents. Results and conclusions are advertising effectiveness and brand image influence simultaneously to customers' perception, then advertising effectiveness has not significant influence on customers' perception partially, and the brand image has significant influence the customers' perception partially. This indicate that the Samsung brand advertiser should identify the key attributes and choose those to create the effectiveness of advertising and know that consumer were very critical about the advertisements and claimed that there were too many advertisements everywhere these days. So the Samsung company advertiser have to put respect on the selection of media and also considering the actual information of an image of a brand.

Keywords: *advertising effectiveness, brand image, target market*

INTRODUCTION

Research Background

Advertising nowadays have big influence in society, it is because of advertising is the best way to communicate to the customers. Duncan (2003:3) states advertising and promotion have been used by organizations for hundreds of years to sell goods, services and ideas. Advertising and promotions are good ways to acquire customers and create a sales transaction to develop a relationship with customers. A company must first know who its customers are. Kotler and Armstrong (2000:315) defines advertising as any paid from of non-personal presentation promotion ideas, goods, or services by identified sponsor. The paid aspect of this definition reflects the fact that the space or time for an advertising message generally must be bought. The non-personal component means that advertising involves mass media that can transmit a message to large groups of individual, often at the same time. The non-personal nature of advertising means that there is generally no opportunity for immediate feeds back for the message recipient.

To attract the customers the advertising company must know the important thing of organization's marketing in order to introduce company's products and services to target markets and influence consumers. Advertising programs can lead to favorable results such as higher profit driven by higher levels of sales if only an advertisement program fulfills its goal, the company could manage the costs and benefits and it can be considered as an investment. Advertising will only survive and grow if it focuses on being effective. Every

advertiser is expecting specific results, based on their stated objectives. Clients expect assurance, and, for the most part, that assurance must lead to or actually produce sales.

Effectiveness of an advertisement is not limited to simply the purchase of a product but rather is extended to a range of psychological and cognitive aspects related to awareness and intention that may play an important role in the purchase decision in a longer time frame (Ramalingam et.al, 2006). It is commonly accepted that advertising is useful in building brand image and how is it affect customers.

Advertising has a central role to play in developing brand image, whether at the corporate, retail or product level. Advertising is not about selling the skill of firm, but about promoting the qualities that differentiate firm from so many others. Differentiation is the brand, and advertising is about positioning that brand by promoting and communicating the firm's differentiators to the target market in order to see their perception.

The Samsung Galaxy S4 is a smartphone manufactured by Samsung Electronics. It was announced in New York City on March 14, 2013. Samsung ad bragging about its features like air gesture, camera quality and the near-field communication feature. The only main concern is whether the advertisement effectiveness and the brand image already affect the customer perception? This research investigated about the influence of advertising effectiveness and brand image of Samsung Galaxy S4 on customer perception in Manado.

Research Objective

This research has several objectives as follows:

1. To identify the advertising effectiveness and brand image of Samsung Galaxy S4 influence customer perception in Manado simultaneously.
2. To identify advertising effectiveness of Samsung Galaxy S4 influence customer perception in Manado partially.
3. To identify brand image of Samsung Galaxy S4 influence customer perception in Manado partially.

THEORETICAL REVIEW

Advertising Effectiveness

Advertising effectiveness can be divided into sales effectiveness and communication effectiveness. Sales volume is used to measure sales effectiveness as a gauge, and the level that a message is noticed, understood, accepted and is changing attitude and behavior for measuring communication effectiveness (Tsai and Tsai, 2006). An important part of organization's marketing activities refers to designing, implementation and creativity of the advertising programs in order to introduce company's products and services to target markets and influence consumers. Creativity in advertising needs to intelligent, sharp, imaginative to the point and extremely catchy. Creativity should focus the attention of the customer on the product and he must feel the urge to have that product for same benefit. To help evaluate whether or not advertising profits are earning the best return on investment, it is important to know how effectively advertisement capture and maintain audience attention and engage viewers (De Ros, 2008)

Brand Image

Kotler (2001:254), image is the set of beliefs, ideas, and impression that a person holds regarding an object. A successful brand image enables consumers to identify the needs that the brand satisfies and to differentiate the brand from its competitors, and consequently increases the likelihood that consumers will purchase the brand (Hsieh, Pan and Setiono. 2004).

Customers' Perception

Schiffman and Kanuk (2000:213), perception is the process of sensing, selecting and interpreting the stimuli of the external world into an internal (mental) world. In other word, perception is the process by which the brain attempts to describe objects and events in external world based on sensory inputs and knowledge. Kotler (2005: 145) said that there are four steps perception formation process, first consumer received the

information from outside, second consumer selects the information, third the information is organized and the last information is interpreted. But we know that every people have their own perception, how they perceive something will be different by sense.

Previous Research

Sondoh, et al. (2007) found that the results of the study shows all four extrinsic brand image factors have significant influence on customer satisfaction and loyal intention. Sharma (2012) found advertising creativity and advertising strategy have not significant influence on customer. Ranjbarian, Seyedeh, and Arezoo (2011) found that the result of the study shows all four extrinsic brand equity factors have positive effect on advertising effectiveness. Rupani (2006) found that advertising effectiveness has not significant influence the customer's perspective.

Hypothesis

- H₁: Advertising Effectiveness and Brand Image influence Customers' Perception simultaneously
 H₂: Advertising Effectiveness influence Customers' Perception partially
 H₃: Brand Image influence Customers' Perception partially

Conceptual Framework

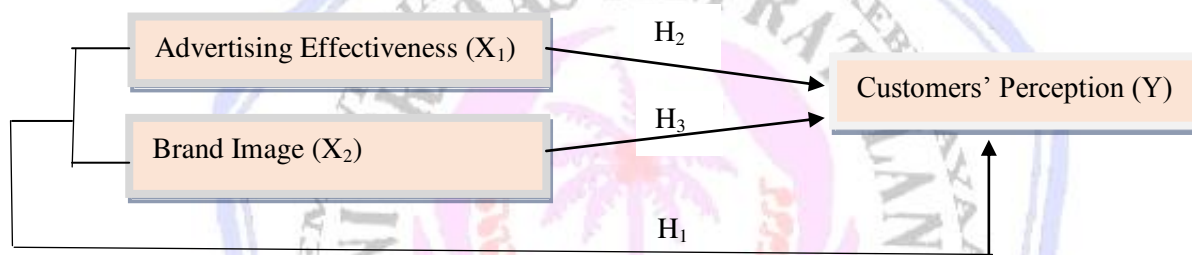


Figure 1. Conceptual Framework

RESEARCH METHOD

Type of Research

This research uses causal type of research. This type of research also determines if one variable causes another variable to occur or change. In this research is to investigate the influence of advertising effectiveness and brand image of Samsung Galaxy S4 on customer perception in Manado.

Place and Time of Research

The survey is being conducted in Manado between December 2013- January 2014, and the participants are those who had seen the Samsung Galaxy S4 advertisement.

Population and Sample

This study takes a population and sample that is used as an object research. Population is the entire group of people, events, of things of interest that the researcher wishes to investigate (Sekaran and Bougie, 2009:133). The targeted population for the purpose for this research are people in Manado who have seen the Samsung Galaxy S4 ads. Sample is a segment of the population selected for marketing research to represent the population as a whole (Kotler, 2005:215). Random sampling method was used to have a sample of 60 respondents that classified by gender, age, occupation, and income per month. This sampling method is the best way to collect data due to time and resources constrain.

Data Collection Method

The information is gathered from two main sources of statistical data collection methods; primary and secondary sources of data. Primary data got from survey questionnaire, and secondary data sources journals, books, library and internet are used.

Operational Definition and Measurement of Variables

1. Advertising effectiveness (X_1): related to how company create the creativity of their advertising.
2. Brand image (X_2): the set of beliefs, ideas, and impression that a person holds an objects.
3. Customer perception (Y): process of receiving, organizing and assigning meaning to information or stimuli detected by our five senses.

Data Analysis Method

Validity and Reliability Test

Validity is a test of how well an instrument that is developed measures the particular concept it is intended to measure (Sekaran and Bougie, 2009:157). To analyze the validity of questionnaire, Pearson Product Moment is used. The purpose of reliability test is to check the consistency of a measurement instrument. The reliability test in this research uses Alpha Cronbach. Cronbach's Alpha is reliable coefficient that can indicate how good items in asset have positive correlation one another.

Multiple Regresion Analysis Models

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:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2$$

Where :
 X_1 = Advertising Effectiveness
 X_2 = Brand Image
 Y = Customers' Perception

RESULT AND DISCUSSION

Validity and Reliability Test

The Reliability result shows that the instrument is acceptable because the Alpha Cronbach coefficient has a value of 0.705; it proves that the data is up to standard and can move forward to the next step. The Validity result shows that the validity for each variable are good where the values are above minimum level of 0.30. It means that all independent variables in are above the minimum level.

Classical Assumption Test

Multicollinearity

Table 1. Multicollinearity

| Model | Collinerity Statistics | |
|---------|------------------------|-------|
| | Tolerance | VIF |
| 1 X_1 | .764 | 1.308 |
| X_2 | .764 | 1.308 |

a. Dependent Variable: Customers' Perception

Source: data processed, 2014

VIF and tolerance is around the number < 10 then the regression model is free from multicollinearity. Based on the results in the table 4.3, it can be seen by SPSS output that multicollinearity does not occur because the symptoms of multicollinearity VIF value of Advertising Effectiveness (X_1), Brand Image (X_2) is < 10 , this

means that there is no connection between the independent variables. Thus, multicollinearity assumption is met free of multicollinearity

Heteroscedasticity Test

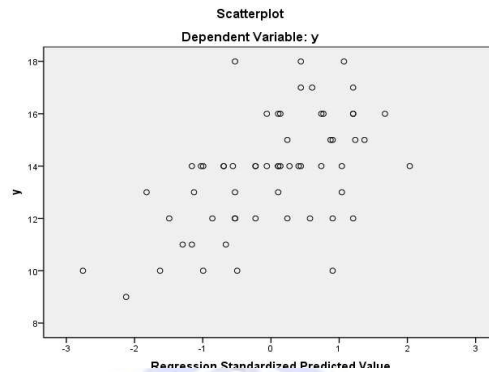


Figure 1. Result of Heteroscedasticity
 Source: Data Processed 2014

The figure shows that there is no established pattern, in other words the points describing the plot spread above and below the number 0 (zero) on the Y-axis. This proves that the model is free from heteroscedasticity.

Normality Test

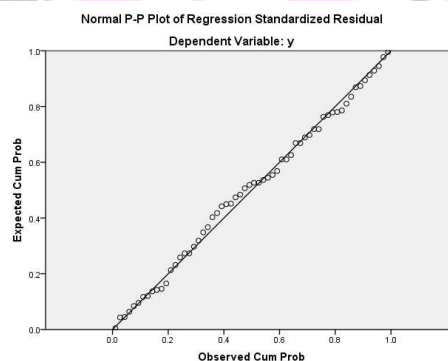


Figure 2. Result of Normality
 Source: Data Processed 2014

The figure shows that the data that represented by dots are spreading near the diagonal line and the spreading following the direction of diagonal line. This proves that the model is passing the normality test.

Multiple Linear Regression

Table 2. Multiple Linear Regression

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|----------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | 3.302 | 2.164 | | 1.526 | .133 |
| X ₁ | .198 | .164 | .221 | 1.739 | .087 |
| X ₂ | .557 | .175 | .405 | 3.189 | .002 |

Dependent Variable: Customer Perception
 Source: Data processed 2014

The Multiple Linear Regression model is used to determine the influence of several independent variables on a dependent variable. Here is computed the analysis of advertising effectiveness and brand image on customers' perception base on Table 1, the model is defined as:

$$Y = 3.302 + 0,198 X_1 + 0,557 X_2$$

Where: Y= Customers' Peception

X₁= Advertising Effectiveness

X₂= Brand Image

The explanation of equation are:

1. Constant value of 3.302 means that if the independent variables which are Advertising Effectiveness (X₁), Brand Image (X₂) simultaneously increased by one scale or one unit, it will increase the Customer Perception (Y) at 3.302 point.
2. Coefficient value of 0.198 means that if the Advertising Effectiveness (X₁) increased by one scale or one unit, it will increase the Customer Perception (Y) at 0.198 point.
3. Coefficient value of 0.557 means that if the Brand Image (X₂) increased by one scale or one unit, it will increase the Customer Perception (Y) at 0.557 point.

Table.2 R and R square

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .547 ^a | .299 | .274 | 1.860 |

a. Predictors : (Constant), Advertising Effectiveness, Brand Image

Source: data processed, 2014

The value of R is 0.547 indicating a substantial positive relationship between independent and dependent variable. From the table above, the coefficient of determination (R²) are 0.299. Information can be obtained that the customers' perception can be affected by advertising effectiveness and brand image 29.9%, while the remaining 70.1% is explained by other variables outside research.

Hypothesis Testing

Table 4. F-test Result

| Model | Sum of squares | Df | Mean Square | F | Sig. |
|--------------|----------------|----|-------------|--------|-------------------|
| 1 Regression | 84.078 | 2 | 42.039 | 12.153 | .000 ^a |
| Residual | 197.172 | 57 | 3.459 | | |
| Total | 281.250 | 59 | | | |

a. Predictors: (Constant), Advertising Effectiveness, Brand Image

b. Dependent Variable: Customers Perception

Source: data processed, 2014

If : F-value > F table Reject H₀
F-value < F table Accept H₀

Significant value of F_{Count} is 0.000. The sig is less than 0.05 which means the confidence of this prediction is above 95% and the probability of this prediction error is below 5% which is 0.000. Therefore Hypotesis 3 is accepted. Thus, Advertising Effectiveness (X₁) and Brand Image (X₂) influence Customer Perception (Y) simultaneously.

T-test**Table 6. T-test**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|----------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 3.302 | 2.164 | | 1.526 | .133 |
| | X ₁ | .198 | .164 | .221 | 1.739 | .087 |
| | X ₂ | .557 | .175 | .405 | 3.189 | .002 |

Dependent variable: Customers Perception

Source: Data Processed 2014

The calculation in the Table 6, the interpretation as follow:

1. T_{count} for Advertising Effectiveness (X_1) is 1.739 which is less than the value of $T_{table}(2.000)$ means that Advertising Effectiveness (X_1) has not partially significant influence on Customer Perception (Y). The sig. value of 0.087 means that prediction of Advertising Effectiveness (X_1) influence on Customer Perception (Y)'s errors is 8.7 %. Thus the confidence of this prediction is below 95%. Therefore, Hypothesis 1 is rejected.
2. T_{count} for Brand Image (X_2) 3.189 greater than the value of $T_{table}(2.000)$ means that Brand Image (X_2) has partially significant influence on Customer Perception (Y). The sig. value of 0.02 means that prediction of Brand Image (X_2) influence on Customer Perception (Y)'s errors is 0.2%. Thus the confidence of this prediction is above 95%. Therefore, Hypothesis 2 is accepted.

Discussion

The influence of Advertising Effectiveness and Brand Image on Customer Perception partially and simultaneously are proven by the interpreting data analysis given by the SPSS. The interpretation shows the variant relationship and are supported by significance level. Advertising will only survive and growth if it focuses on being effective. Effective advertisements will help the advertiser reach its goals. Advertising and promotions are good ways to acquire customers and create a sales transaction to develop a relationship with customers. A company must first know who its customers are. While creating the effectiveness of advertising, company have to know the brand image too. With creative ads they can certainly communicate it differently so as to create a distinct brand image in advertise.

This research supports a research by Rupani (2006), which is found the simultaneous effect of the advertising effectiveness influences the positioning brand image from the perspective of the customer is significantly positive. The consumer relate to those brands that do match their personal image. It was analyzed that advertising plays an important role in conveying brand image. The message content in the ads is considered as a crucial part of advertisement. To be noticed, advertising have to be striking and very visual. Only if advertisement create an interest will they be affective. The consumers did get influenced from ads, social groups, product package, users of the product, and from opinions about the brands. Advertising effectiveness is a sales effectiveness and communication effectiveness. It is important to know how effectively advertisement can maintain the attention of the audience, which is customer perception. This research found that advertising effectiveness negatively influence the customer perception, this finding is consistent with the findings of Sharma (2012).

Brand Image can generate value in terms of helping customer to process information, differentiating the brand, generating reasons to buy, give positive feelings, and providing a basis for extensions. Image cannot be measured by attribute measurements alone but must include measurements of customer perceptions of the value and benefits attainable from using the brand. This is indicated the importance of brand image based benefits on customer perception. This research found that brand image is positively influence costumer perception, this finding is consistent with the findings of Sondoh (2007) and Ranjbarian (2011).

CONCLUSION AND RECOMMENDATION

Conclusion

There are three constructive findings that can be concluded from the overall result in this research, which are listed as follow:

1. Advertising Effectiveness and Brand Image influence Customers Perception in Manado Simultaneously.
2. Advertising Effectiveness not influence Costumers Perception in Manado Partially.
3. Brand Image influence Customers Perception in Manado Partially.

Recommendation

There are two practical recommendations that can be concluded from the overall result in this research, which are listed as follow:

1. The advertiser should identify the key attributes and choose those as to clearly indicate where they have an advantage in comparison to the competitors to create an effective advertising.
2. Consumer were very critical about the advertisements and claimed that there were too many advertisements everywhere these days. So advertiser have to put respect on the selection of media and also considering the actual information of an image of a brand.

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