THE INFLUENCE OF BRAND EQUITY TOWARD
CONSUMER PURCHASE DECISION

(A STUDY CASE OF SAMSUNG SMARTPHONE IN BEKASI)

By

Rocky Simon Hia

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PANEL OF EXAMINERS
APPROVAL SHEET

The Panel of Examiners declare that the skripsi entitled “The Influence of Brand Equity toward Consumer Purchase Decision: A Study Case of Samsung Smartphone in Bekasi”, that was submitted by Rocky Simon Hia majoring in Management from the Faculty of Business was assessed and approved to have passed the Oral Examinations on January 25th, 2017

Filda Rahmiati, MBA
Chair – Panel of Examiners

Siska Purnama Manurung, S.Kom., MM
Examiner I

Janghiz Syahrivar, B.Sc., MM
Examiner II
SKRIPSI ADVISOR
RECOMMENDATION LETTER

The panel of Examiners declare that the skripsi entitled “The Influence of Brand Equity toward Consumer Purchase Decision: A Study Case of Samsung Smartphone in Bekasi”, prepared by Rocky Simon Hia in partial fulfillment of requirement for the degree of Bachelor in Faculty of Business has been review and found to have satisfied the requirement for a skripsi to fit to be examined. I therefore recommend this skripsi for Oral Defense.

Cikarang, January 20th, 2017

Acknowledged by,

Dr. Dra. Genoveva, MM
Head of Management Study

Recommended by,

Jhanghiz Swahriyar, B.Sc., MM
Advisor
DECLARATION OF
ORIGINALLITY

I declare that this skripsi, entitled “The Influence of Brand Equity toward Consumer Purchase Decision: A Study Case of Samsung Smartphone in Bekasi”, is to the best of my knowledge and belief, an original piece of work that has not been submitted, either in whole or in part, to another university to obtain a degree.

Cikarang, January 20th, 2017

Rocky Simon Hia
ABSTRACT

The present study attempts to identify the importance of Brand Equity (Brand Awareness, Brand Association, Perceived Quality and Brand Loyalty) to examine the relationship of those factors towards consumer purchase decision in the context of smartphone industry case of Samsung smartphone in Bekasi, Indonesia. The researcher used quantitative method and employed SPSS and AMOS tool to analyze the data collected from questionnaires spread to 300 consumers who are a user/buyer or a former user/buyer of Samsung smartphone in Bekasi. The result showed that the biggest factors influencing Purchase Decision is Brand Loyalty by 54.9%. Perceived Quality also shows significant result by 38.4%. Meanwhile, this research result of Brand Awareness and Brand Association are not significantly influencing Purchase Decision by -0.6% and -14.4%. Squared Multiple Correlations ($R^2$) of 0.584 indicates 58.4% of the variations of Purchase Decision can be explained by the four independent variables in the regression equation while the rest of 41.6% is explained by the other variable that are not studied in this research such as brand asserts, brand experience and perceived relevance.

**Keywords:** Brand Equity, Brand Awareness, Brand Association, Perceived Quality, Brand Loyalty and Purchase Decision
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CHAPTER I
INTRODUCTION

1.1 Background of Study

According to Lay-Yee, Siew, & Fah (2013), text messaging, phone calls making and receiving, and voice mail can’t describe the meaning of ‘smartphone’. The basic feature of smartphone is to have an access to the internet. The feature or having a digital media accessible such as digital videos, digital music and pictures, and the ability to runs the small computer programs (application) are the proper function of a basic smartphone.

According to Fierce Wireless (2016), the IT market research firm recorded almost 156 billion mobile applications have been installed by mobile phone consumers around the world in 2015, and the total of $34.2 billion of direct revenue excluding non advertising has been generated obtained from International Data Corporation (IDC). In addition, IDC predicts more than 210 billion mobile apps install will make $57 billion in direct revenues by 2020.

Indonesia Investments (2016) stated that with the increase of development in the technology sector and telecommunications, the number of users of smartphone globally is increasing. Besides Samsung, several popular smartphone from overseas such as Oppo, Samsung, Lenovo, Advan and
local brands such as Advan, Himax, Smartfren, Mito and Polytron are can be found easily in Indonesia. Samsung smartphone is not only the most popular smartphone in Indonesia but also the global leader, successfully overstepped Apple's iPhone. Especially in the ASEAN region, which includes Indonesia, the South Korean company managed to boost sales with its Samsung Galaxy Series Smartphones.

As seen from the figure above, Samsung are leading Indonesia’s smartphone market share by 26% in Q2-2016. Further, the market share of Samsung increased by 32.2% in Q3-2016 and widen the gap among competitors, despite the competition has become more tight since local brand such as Smartfren starts to dominate the top smartphone vendors in Indonesia. While competitors such as OPPO, Asus, Lenovo and Advan market share are decrease, Samsung continued to be the market leader by pushing

Figure 1.1: Vendor’s Market Share of Smartphone Shipments in Indonesia (Q2-2016 and Q3-2016)

Source: International Data Corporation (2016)
promotional campaigns to boost its sell-out and greatly increase their market share in Q2-2016 by 6.2% in Q3-2016 thanks to their key hero products Galaxy S7 and Galaxy J series. According the data from Indonesia Investments (2016), IDC also analyzed that the Indonesia’s smartphone sales growth are increase by 3.3 percent per year and grew by 22 percent per month.

Galaxy Note 7, the latest product by Samsung Electronics Co. has been recalled by the company and has asked the consumer to stop using the products they have purchased before. The South Korea largest company are struggling with a crisis faced in Galaxy Note 7 which recently has several problems includes exploding batteries. Samsung’s shares plunged, and losing $17 billion from its market value according to the data from Bloomberg Technology (2016).

Galaxy Note 7 was officially released on August 19, 2016 worldwide. The release date of the smartphone counted in the third quarter sales in Samsung, and the recent incidents “exploding battery” are considered with the consumer’s safety makes the Company stopped sales, production and exchanges of this latest product launched (Samsung Electronics Co., 2016).
Table above shows Samsung Electronics Co. operating profit is going down into KRW 5.20 trillion in the Q3-2016 compared to the first and second quarter of the year. With the help of the release of Galaxy S7 and S7 edge on March 11, 2016, Samsung's mobile business reported the total of KRW 8.14 trillion in operating profit during the three-month period in the 2Q-2016, its best quarterly performance since 2 years, or from the second quarter of 2014 (The Telegraph, 2016).

Consumer choice decision can be facilitated by factors of brand equity, and can be the tool to influence the consumer’s purchasing decision which in a certain segment there are so many competing brands that offers a nearly same product or services so sometimes consumer’s are difficult to make a choice (Gunawardane, 2015). In the present decade, the important role of brands must be played to increase the economic condition by any country. Consumer’s changes their buying behavior by the help of brand name and brand equity. The company’s primary goal is to set and maintain the position of their brand so it will always remain in the proper position which affect the purchase decision in the consumer’s minds. Brand equity plays an
important role to boost up a company’s or any business performance (Akhtar et al., 2016).

The previous research conducted by Doostar et al. (2012) found that the measuring tool toward Purchase Decision consisted of 4 variables: there are Brand Awareness, Brand Loyalty, Brand Association and Perceived Quality. This study will focuses on consumers which had ever using Samsung smartphones in Bekasi, Indonesia. Therefore, the researcher is interested to do research entitled: “The Influence of Brand Equity toward Consumer Purchase Decision: A Study Case of Samsung Smartphone in Bekasi”.

1.2 Statement of Problem

Researcher would like to analyze and this study aims to answer the following questions:

1. Does brand awareness have partial influence toward consumer purchase decision on Samsung smartphone?
2. Does brand association have partial influence toward consumer purchase decision on Samsung smartphone?
3. Does perceived quality have partial influence toward consumer purchase decision on Samsung smartphone?
4. Does brand loyalty have partial influence toward consumer purchase decision on Samsung smartphone?

1.3 Research Objective

This study is purposed to analyze the influence of brand equity towards consumer purchase decision which is a study case of Samsung smartphone in Bekasi, based on the company’s sales performance in 2016, especially in
the second-quartal of the year. From the explanation above, the objective of this research are:

1. To find out the influence of brand awareness towards consumer purchase decision on Samsung smartphone.
2. To find out the influence of brand association towards consumer purchase decision on Samsung smartphone.
3. To find out the influence of perceived quality towards consumer purchase decision on Samsung smartphone.
4. To find out the influence of brand loyalty towards consumer purchase decision on Samsung smartphone.

1.4 Significance of the Study

This research is being a study that fulfils the researcher’s requirement to obtain bachelor degree of Management in President University. The researcher did the analysis to know the influence of Brand Equity towards consumer purchase decision, especially in case of Samsung smartphone, and also to understand the market situation in the industry. Besides, this research intends to achieve several significances to be meaningful for other parties such as:

1.4.1 For Academics and Future Research

This research can be very useful as become baseline and additional knowledge to enhance the needs of people who plan to do future research, which provide better understanding about smartphone industry. In the other hand, this would become one of the new information and statistical data of an unsearched study through observation, exploration, and analysis. More specifically, this research would give deeper insight about the influence of Brand
Equity towards Consumer Purchase Decision which are measured by Brand Awareness, Brand Loyalty, Perceived Quality and Brand Loyalty.

1.4.2 For Business and Managerial Application

This study using the primary data from the questionnaire which targeting consumers who had ever using or purchasing Samsung smartphone as the respondents, so the expectation of this research to give the better understanding for the smartphone industry, in the case of Samsung, about the influence of Brand Equity towards Consumer Purchase Decision.

The researcher hope the output of this research would be the tool to develop and have a better engagement of the company’s marketing strategy to penetrate the domestic and even international market, and maintain the loyalty of Samsung customer’s around the world.

1.5 Limitation of the Study

This research is conducted with the title of “The Influence of Brand Equity toward Consumer Purchase Decision (A Study Case of Samsung Smartphone in Bekasi).” The respondents of this research are the Indonesian citizens in Bekasi who ever make a decision to buy smartphone product from Samsung at least once.

The total of 300 respondents lived in Bekasi that had experience to purchase and using Samsung smartphone are analyzed in this study to find out the influence of Brand Equity towards Consumer Purchase Decision. The
research instrument is the only questionnaire that will be given to the respondents.

1.6 Organization of the Skripsi

The organization of this skripsi will present a simply general description where there are the total of five chapters on this research.

Chapter I: INTRODUCTION

Background of the study, statement of problem, research objectives, significant of the study, limitation of the study and the organization of the research are described in this chapter.

Chapter II: LITERATURE REVIEW

Chapter II will describes about theories used in this research, e.g. brand and the elements of brand equity, consumer’s purchase decision, the relationship between brand equity toward purchase decision, and research gap.

Chapter III: METHODOLOGY

The theory gives explanation about method that used for collecting, processing, and analysing the data on this researcher. It is including the method used, theoretical framework, hypotheses, operational definition of variables, research instrument and sampling.

Chapter IV: RESULTS AND DISCUSSION

This chapter will give explanation about processing the data to find the answer for the problem in Chapter I. The data processing and the step of analysis will be specifically discussed. In the end of
each analysis method, the data interpretation will be discussed also as a brief explanation of calculation result.

Chapter V: CONCLUSION

This chapter will discuss about the conclusion form Chapter I until Chapter IV where it will discuss about the problem and the answer from the research. This chapter also will give the recommendation for future research about some other variables that haven’t researched in this research. So hopefully, it can be applied in the market to handle the problem of the research.

CHAPTER II

LITERATURE REVIEW

2.1 Brand Equity

Aaker (1991) concluded that brand equity can be evaluated through brand loyalty, brand awareness, perceived quality, brand associations and other proprietary brand assets in 5 different dimensions shown in figure 2.1. The implication of model helps in managing brand equity and considers sensitive cost to make informed decisions about brand-building activities. Brand equity is essential at purchasing time because it affects customers and compete with the competitor’s attractions.
According to Hung, Su, & Zhuang (2016), brand equity is the added value of product and service, and can be one of the most valuable intangible assets of a company. This added value can be found out in how customers bear in mind, feel and act with the respect to a brand, as well as the charges, market share and profitability that the brand commands for the corporation.

Nigam & Kaushik (2011) believes brand equity refers to the marketing effects accumulated to product with its brand name compared with those that will be accumulated if the product did not have the brand name. It refers to the incremental utility or value added to a product from its brand name.

2.2. Brand Awareness

Schivinski & Dabrowski (2015) believes that brand awareness is the strength of a brand that exist in the consumer’s mind. As we can say in another words brand awareness refers to the consumer’s ability to recall or recognize a brand in its product or services category. Dhurup, et al. (2014) also argue the important indicator about the brand’s presence strength in the consumer’s mind, consumer’s brand knowledge and how consumer’s can easily retrieved that knowledge into their memory its all related to the brand awareness.

According to Malik, et al. (2013), if a company has a successfull brand awareness, means that the Company’s products or services are having well-reputability in the market, and will easily acceptable by customers. Brand awareness might playing the important role, meanwhile the products or services that have been purchased by consumer’s and might have the control on the risk of consumer’s evaluation and their level of believes about the decision to buy due to the awareness part with the brand, and also uniqueness. Furthermore, a particular brand that have a great association in a consumer’s mind can be affected by brand awareness. Brand awareness important role in the consumer’s mind can be evaluated at several stages, there are: brand recall, brand recognition, top of mind, brand dominance (how a particular brand can be the only one called by consumer), brand knowledge (what is a brand means to consumer). No transaction will be occur if there will be no brand awareness, thus there are the importance role of brand awareness.
2.3 Brand Association

According to Schivinski & Dabrowski (2015), brand association can be defined as all thing that consumer related to a brand. Consumer image-making, the condition of consumer, the awareness of a company, product profile, characteristics of a particular brand, symbols and signs can be contained from the “all thing” that consumer related to a brand.

According to Cynthia & Ella (2014), brand association can be described into three types. The first type is brand attribute and the role is to characterize a product or service. The brand attribute can be both product related attributes (those related to the physical of a product composition or the requirements of a service) and the other is non-product related attributes (outline aspects of product service e.g. information of price, user imaginary and packaging information). The second types is brand benefits, which means the associations which is benefit linked with the brand itself and makes consumer’s feel more into the brand. Benefit itself can be divided into three types, which are functional benefits (basic motivation e.g. safety needs or avoidance), experiental benefits (how consumer’s feel when product or service are currently used), and symbolic benefits (product or services extrinsic benefits which the needs of personal expression its all related e.g. exclusivity and prestige). The last type is brand attitudes, this are the consumer’s full evaluations to the brand. This attributes of a brand can provides the basis for consumer’s behavior and action that related to a brand, depends on the attributes and benefits from the brand itself.

2.4 Perceived Quality

Severi & Ling (2013) believed perceived quality is one of the important elements of brand equity and it can be defined as the overall perception
from consumers related to the brilliance and quality of product or service compared with the offerings of the competition. Quality cannot be objectively determined simply because of perceived quality itself is build summary. Perceived quality can act as key factors that influence in determining consumer choice. Furthermore, they stated that perceived quality is positively related to the brand equity.

While according to Kandasamy (2014), perceived quality can be defined as the overall superiority or quality from a product or services related to another alternative. Donlan (2014) stated there are six dimensions from perceived quality which are high quality, comparison with competitors, leadership, growing in popularity, innovation and the last dimension is respect.

### 2.5 Brand Loyalty

Severi & Ling (2013) defines brand loyalty as symbolizes a positive mind set toward brand that leading to constant purchasing of the brand over time. Brand loyalty has the strength to effect on consumer decision to purchase the same product or brand and decline to shift to competitors’ brands.

Based on the research conducted by Malik, et al. (2013), the customer loyalty can be affected by its uniqueness, taste, feeling ease in using a particular brand or services and also having anough knowledge about the brand to be confident making a purchase decision. A Company who realizes the importance of brand loyalty will always met the customer expectation and they will feels happy about the Company. Brand loyalty can be characterized as the level of the closeness between customer with the brand,
communicated by the rehashed buy by client's paying little heed to marketing stress made by the competition contending brands.

### 2.6 Consumer Purchase Decision

According to Prasad & Jha (2014), consumer purchase decision can be characterized as the way toward social occasion and data handling, selecting and assessing the most ideal choice to take care of a specific issue and settle on a purchasing decision. Consumer purchase decision process can be sometimes be an unpredictable procedure and purchaser's can depend on the data on a specific items and the experience assembled to achieve the choice to purchase.

Doostar, Abadi, & Abadi (2012) stated the operational definition of the consumer purchase decision can be defined that the decision process of a consumer’s have 5 phases: recognizing the problem, research to gather information, evaluate options, make decisions about purchases, and behavior after purchase. Obtaining procedure is begun significantly more the real time of procurement and its outcomes will persistently long time after buying decision have been made. The procedure of decision making from a buyer's started through him understanding his unsatisfied needs and longings. From that the consumer’s will understand the distinction from his real status and his optimal needs and the social or mental perspectives he sought to fulfill with. The requirements can be the one that rouse and stimulate him to settle on the choice.

According to the research by Momani (2015), the importance of the decision process will be arises, and the risks that are consequent for the consumer’s decision are:
1. Functional risks: The product feature does no longer well because it turned down as well as it was predicted.

2. Financial risks: The product can't suit or identical the paid price (no longer worth the charge).

3. Social risks: The product may additionally harm the others.

4. Psychological risks: The product might affect or influencing the purchaser.

5. Time risks: The product failing can lead to opportunity to lose on satisfaction from consuming the alternative products.

Several perceived risks confronted by consumers above can be decreased the percentage through collecting much more information from friends, and through heading off uncertainty, preferring the standard or well-known brands.

2.7 Relationship between Brand Awareness towards Consumer Purchase Decision

One of the main factor from brand equity that influencing consumer purchase decision process is brand awareness. A product with an excessive degree of logo cognizance will obtain the better customer preferences as it has the better marketplace share and high-quality assessment. Boonwanna, Srisuwannapa, & Rojniruttikul (2014) argue that logo focus performs a critical function on purchase choice with the aid of consumer due to the fact consumer’s are generally tend to shop for product or offerings that already acquainted and greater well-known brands. The awareness of a product offerings can help the purchaser’s to recognize a brand from a product category and make a buy selection.
2.8 Relationship between Brand Association towards Consumer Purchase Decision

Brand Association would help the consumer’s to collect and deal with the information. It would provide consumer’s with the purchasing reason, because most of brand association are related to the brand attributes, benefits that the consumer’s need and the target of consumer market. According to Chen, Lieh, & Jheng (2013), consequently brand association plays an important role in consumer’s decision making to purchase.

Severi & Ling (2013) believes brand association and brand equity are relating with a strong chemistry to each other because brand association can enhance the memorable attributes from a certain brand. With the high effective brand association by customer’s via attitudes, attributes and benefits respectively can helps to boost brand equity and then consumer’s decision to buy from a particular brand will arise.

2.9 Relationship between Perceived Quality towards Consumer Purchase Decision

According to Yaseen, et al. (2011), perceived quality can also be influenced by several concerns e.g. past experience, education picked out jeopardy and provisional variables such as pay for state, occasion force, buy cause, and network settings of client’s. Perceived quality is an important factor on why the brand is considered and purchased by consumer’s. The perception of quality will affects what brand will be selected in the consumer’s and next step to make a purchase decision for a product or services from a particular brand.
In the mind on consumer’s, perceived quality defines perception, product excellent and superiority. This impact can stimulates brand integration and exclusion on customer’s which leads to a brand consideration set before than making the purchase decision (Kandasamy, 2014).

2.10 Relationship between Brand Loyalty towards Consumer Purchase Decision

When the ability of a brand can met the best interest and expectations of the consumer’s, the next that will be happened is the consumer’s are likely to trust the brand. For instance, when the consumer’s expectations met the credibility of a product of a services or the brand is safety, then consumer’s will consider trusting the brand, which lead to be loyal to the brand. A brand who’s already attached the consumer’s loyalty will facing less difficulty on selling their product or services, and even consumer’s loyalty will leads to repeat purchase on consumer’s decision. Thus, brand loyalty has a positive significant effect on purchase decision (Chinomona, 2016).

2.11 Research Gap

Farjam & Hongyi (2015) on their previous research argue that there are five factors of brand equity that influencing consumer purchase decision, which are brand loyalty, perceived quality, brand awareness, brand asserts and brand association.

Heidarian, Kariznooe & Bijandi (2015) on their research believes there are 6 different factors of brand equity that influencing consumer purchase decision: brand image, brand loyalty, brand satisfaction, brand experience, perceived relevance and brand trust. However, the researcher used 4 out from several factors mentioned above which are perceived quality, brand
loyalty, brand association and brand awareness since those 4 factors of brand equity are having a strong relationship and significantly influence purchase decision (Gunawardane, 2015).

The methodology used for this research is Structural Equation Modeling (SEM) analysis, which is the advance methodology over multiple regression used by the previous research. According to Alavifar, Karimimalayer & Anuar (2012), SEM or path analysis is very powerful multivariate method as is specialized versions about ignoble analysis strategies and also enables researchers in measurement of direct and indirect effects and performing test models with single and multiple dependent variables, also using of several regression equations simultaneously. Therefore, the researcher want to know the influence of those factors on smartphone sectors so it will help the company to improve the marketing strategies and future operation and make impact on the sales growth globally.

CHAPTER III

METHODOLOGY

3.1 Introduction

This chapter will explains approximately the techniques that researcher used in this studies to answer the research problem and how the facts
accumulated by the researcher to answer the research questions. There are several components of this chapter are: theoretical framework, hypothesis, operational definitions of variables, instruments, sampling, and explanation of SEM.

### 3.2 Theoretical Framework

![Diagram of the theoretical framework]

**Figure 3.1: Theoretical Framework**

*Source: Adopted from Akhtar, Ain, Siddiqi, Ashraf, & Latif (2016)*

### 3.3 Hypothesis

There are hypotheses set by the researcher to know whether Perceived Quality, Brand Loyalty, Brand Awareness and Brand Association have any influences towards Purchasing Decisions:

\[ H_0 \text{: Brand Awareness has no significant influence on Purchase Decision on Samsung smartphone.} \]
H_{A1} : Brand Awareness has significant influence on Purchase Decision on Samsung smartphone.

H_{02} : Brand Association has no significant influence on Purchase Decision on Samsung smartphone.

H_{A2} : Brand Association has significant influence on Purchase Decision on Samsung smartphone.

H_{03} : Perceived Quality has no significant influence on Purchase Decision on Samsung smartphone.

H_{A3} : Perceived Quality has significant influence on Purchase Decision on Samsung smartphone.

H_{04} : Brand Loyalty has no significant influence on Purchase Decision on Samsung smartphone.

H_{A4} : Brand Loyalty has significant influence on Purchase Decision on Samsung smartphone.

3.4 Operational Definition

The present study “The Influence of Brand Equity towards Consumer Purchase Decision (A Study Case of Samsung Smartphone in Bekasi) uses 4 variables as determinants. There are Brand Awareness, Brand Equity, Perceived Quality and Brand Loyalty. Table 3.1 below explains detailed information about source and number of items of constructs used.

<table>
<thead>
<tr>
<th>No</th>
<th>Variable</th>
<th>Definition</th>
<th>Indicator</th>
<th>Questions</th>
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<table>
<thead>
<tr>
<th>No</th>
<th>Variable</th>
<th>Definition</th>
<th>Indicator</th>
<th>Questions</th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Brand Awareness (X1)</td>
<td>According to Schivinski &amp; Dabrowski (2015), Brand awareness is the energy of a brand that exist inside the purchaser’s mind. In different phrases, brand awareness refers to the capacity of customers to apprehend or do not forget a brand in its product category.</td>
<td>1. Brand recognition</td>
<td>1. I easily recognize Samsung smartphone.</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td>2. Product associations</td>
<td>2. Several characteristics of Samsung smartphone instantly come to my mind.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(Donlan, 2014)</td>
<td>4. I can quickly recall the symbol or logo of Samsung.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5. I can recognize Samsung smartphone among other competing brands.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(Adjusted from Schivinski &amp; Dabrowski, 2015)</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>Variable</td>
<td>Definition</td>
<td>Indicator</td>
<td>Questions</td>
</tr>
<tr>
<td>----</td>
<td>----------</td>
<td>-----------------------------------------------------------------------------</td>
<td>-----------</td>
<td>-------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| 2. | Brand Association (X2) | According to Schivinski & Dabrowski (2015), Brand association can be defined as whatever that consumer relates to a brand. It could contain customer image-making, product profile, purchasers conditions, company focus, brand traits’, signs, symbol and brands. | 1. Trust  
2. Reason to purchase  
3. Differentiation  
4. Distinctive personality  
5. Value for money  
6. User image (Donlan, 2014) | 1. I trust Samsung smartphone.  
2. Samsung is different from other brands of smartphone product.  
3. There are definite reasons to buy products from Samsung smartphone rather than other providers.  
4. Samsung brand has a distinctive personality.  
5. Samsung smartphone offers worse value for money than other brands.  
6. I have a clear image of the type of person who would use Samsung smartphone products. (Adjusted from Donlan, 2014) |
According to Gunawardane (2015), Perceived quality describes motives on why customers purchase a services or products at exceptional costs. Perceived quality may be affect by using the service best quality services, durability of products to growth the purchase rate or purchase intention of a product/carrier it want to inculcate the perceived satisfactory to purchaser minds.

<table>
<thead>
<tr>
<th>No</th>
<th>Variable</th>
<th>Definition</th>
<th>Indicator</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Perceived Quality (X3)</td>
<td>According to Gunawardane (2015), Perceived quality describes motives on why customers purchase a services or products at exceptional costs. Perceived quality may be affect by using the service best quality services, durability of products to growth the purchase rate or purchase intention of a product/carrier it want to inculcate the perceived satisfactory to purchaser minds.</td>
<td>1. High quality &lt;br&gt;2. Respect &lt;br&gt;3. Leadership &lt;br&gt;4. Growing in popularity &lt;br&gt;5. Innovation &lt;br&gt;6. Comparison with competitors</td>
<td>1. Samsung smartphone is of high quality. &lt;br&gt;2. Samsung is a brand I respect. &lt;br&gt;3. Samsung is a leader in smartphone industry. &lt;br&gt;4. Samsung is a brand that is growing in popularity. &lt;br&gt;5. <em>Samsung smartphone offers innovative products.</em> &lt;br&gt;6. <em>Compared to other brands of smartphone industry, Samsung is...</em> (5 point likert scale from “the best” to “the worst” plus “don’t know” option).</td>
</tr>
</tbody>
</table>

(Adjusted from Donlan, 2014)
According to Chinomona (2016), Brand loyalty may be taken into consideration within the literature of marketing as one of the methods with which the consumer expresses his/her satisfaction with the performance of the product or service obtained.

<table>
<thead>
<tr>
<th>No</th>
<th>Variable</th>
<th>Definition</th>
<th>Indicator</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.</td>
<td>Brand Loyalty</td>
<td>According to Chinomona (2016), Brand loyalty may be taken into consideration within the literature of marketing as one of the methods with which the consumer expresses his/her satisfaction with the performance of the product or service obtained.</td>
<td>1. Expresed loyalty</td>
<td>1. I feel loyal to Samsung.</td>
</tr>
<tr>
<td></td>
<td>(X4)</td>
<td></td>
<td>2. Satisfaction with previous purchase</td>
<td>2. I was satisfied with Samsung smartphone the last time I purchased a product from the company.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3. Recommendations to friends/family</td>
<td>3. I would recommend Samsung smartphone to my friends and family.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4. Purchase intention</td>
<td>4. I intend to purchase products from Samsung smartphone in the future.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>5. Consideration</td>
<td>5. When I am looking for a smartphone provider, I will consider Samsung.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Donlan, 2014)</td>
<td>(Adjusted from Donlan, 2014)</td>
<td></td>
</tr>
</tbody>
</table>
5. Purchase Decision (Y)

According to Prasad & Jha (2014), Consumer purchase decision can be defined as a procedure of accumulating and processing data, evaluating and choosing the best possible alternative that allows you to clear up a problem or make a buying decision for preference.

1. Recognition of the need
2. Search for information
3. Evaluate the alternatives
4. Purchase decision
5. Post-purchase behavior

(Momani, 2015)

1. When buying a smartphone, I do not depend on the price as much as I depend on the brand itself.
2. My purchase decision depends on my need to buy away from the brand.
3. The brand of the smartphone and its famousness affects my purchase decision.
4. I feel satisfied when purchasing a well-known brand.
5. Having all the information of a well-known smartphone will help me more in taking the appropriate purchasing decision.
6. I depend on the brand to make my purchase decision.
7. My purchase decision depends on the country of origin.
Table 3.1: Operational Definition of Variables

Note: *Italic font* are invalid questions through pre-test and SEM analysis

*Source: Constructed by Researcher (2017)*

3.5 Research Instrument

In this research, instrument used in primary research is questionnaire. The questionnaire consists of two sections. All the questions in this questionnaire are designed using 2 languages (English and Bahasa Indonesia) which is simple for respondents to understand and answer. The questions asked are directly linked to the objectives of this research.

First section consists of filtering questions and demographic questions to identify the respondent’s profile. Second section consists of 21 questions from 4 dimensions of Brand Equity as independent variable and Purchase Decision as dependent variable with five point likert-scale. All questions must be answered, and failing to do so may void the questionnaire to be used in the data analysis.

3.6 Sampling

The population of this research was unknown. This research will be focused on Indonesian respondents, especially who is currently living in Bekasi since this city are categorized as developing city with the total of 2,989,198 people lived in the region and more than 864 manufacturing industry are
established and evolving (BPS Kabupaten Bekasi, 2014). Since this region is the area in which the researcher currently living on, so the distribution of questionnaires will be more simplified.

The total of 30 questions (exclude filtering questions and respondent profile) were used to obtain data from respondents. After passed the pre-test phase to 30 respondents, 2 questions found invalid and can’t be used in the further research. 300 questionnaires with the same construct were distributed with the total of 28 questions consists of selected option that respondents need to choose, with 5-point likert scale (Strongly Disagree, Disagree, Neutral, Agree, Strongly Agree) and during SEM analysis researcher found 7 questions were invalid and can’t be through the analysis. Finally, the total of 21 close-ended questions are used in this research which already fit to the respondent’s characteristic after the test of validity and reliability and were spreaded to the people lived in Bekasi and assumed currently or a former user/buyer of Samsung smartphone products. SPSS and AMOS analytics tool were used to analyze the result of research.

3.7 Structural Equation Modeling (SEM)

According to Shadfar & Malekmohammadi (2013), researchers can use SEM for purposes of analysing potential mediator and moderator effects. Similarly, through engaging in SEM evaluation, the researcher can model observed variables, latent variables (i.e., the underlying, unobserved construct as measured by using multiple discovered variables), or a few combinations of the two. regardless of the specific variables the researcher makes use of, SEM is a confirmatory technique in which analyses typically contain testing at least one a priori, theoretical version, and unlike many other statistical strategies, when the usage of SEM the researcher can test the complete theoretical model in one analysis. As a part of the analysis, the
researcher can take a look at both the unique hypothesized relationships amongst his or her variables and the plausibility of the general model (i.e., the fit of the model). Certainly, SEM has a number of benefits for the researcher inquisitive about analyzing relatively complex theoretical models. Nevertheless, SEM grows out of and serves purposes just like multiple regressions, but in a greater powerful way which takes into account the modeling of interactions, nonlinearities, correlated independents, measurement error, correlated error phrases, more than one latent independents each measured through multiple indicators, and one or more latent dependents additionally every with multiple indicators. SEM can be used as an extra effective alternative to multiple regression, path analysis, factor analysis, and analysis of covariance. That is, those procedures can be seen as special cases of SEM, or, to put it some other way, SEM is an extension of the general linear version (GLM) of which more than one regression is part. advantages of SEM in comparison to multiple regression include more flexible assumptions (specially allowing interpretation even in the face of multicollinearity), use of confirmatory factor analysis to reduce measurement errors by having multiple indicators in keeping with latent variable, the attraction of SEM's graphical modeling interface, the desirability of testing models overall rather than coefficients individually, the ability to check models with multiple dependents, the potential to model error terms, the ability to test coefficients throughout multiple between-subjects groups.

Moreover, where regression is highly susceptible to error of interpretation by misspecification, the SEM approach of comparing alternative models to assess relative model fit makes it more strong. In addition, with initial theoretical model, SEM may be used inductively by specifying a corresponding model and the usage of collected data to estimate the values
of free parameters; construct latent variables which can't be directly measured; and explicitly capture the unreliability of measurement in the model, which in theory lets in the structural relations among latent variables to be accurately expected. SEM centers around two steps; validating the measurement model and fitting the structural version. The former is accomplished primarily thru confirmatory factor analysis, whilst the latter is accomplished frequently through path analysis with latent variables. In fact, use of SEM software program for a model in which each variable has simplest one indicator is a type of path analysis. The use of SEM software for a model wherein each variable has multiple indicators but there are no direct consequences (arrows) connecting the variables is a kind of factor analysis. In this study, SEM via AMOS™ 24th version as broadly accepted software program of SEM software has practiced.

<table>
<thead>
<tr>
<th>No</th>
<th>Measurement Degree of Compatibility</th>
<th>Description</th>
<th>Good-Fit Level Match</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Chi Square</td>
<td>Testing whether the estimated population covariance same with sample covariance (whether the model fits the data)</td>
<td>Lower limit = 1.0 Upper limit = 2.0 or 3.0</td>
</tr>
<tr>
<td></td>
<td>Normed chi square ($x^2/df$)</td>
<td>The ratio between the values of chi square with degree of freedom.</td>
<td>$x^2/df &gt; 5$</td>
</tr>
<tr>
<td></td>
<td>Description</td>
<td>Calculation</td>
<td>Limit(s)</td>
</tr>
<tr>
<td>---</td>
<td>-----------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>2.</td>
<td>The minimum sample discrepancy function divided with degree of freedom (CMIN/DF)</td>
<td>Statistic chi square divided by degree of freedom.</td>
<td>≤ 2.00</td>
</tr>
</tbody>
</table>
| 3.| Root Mean Square Error of Approximation (RMSEA)                             | The average difference in degree of freedom which is expected to occur in population, and not the sample. | RMSEA ≤ 0.08 (good fit)  
|   |                                                                             |                                                                               | RMSEA < 0.05 (close fit)     |
| 4.| Comparative Fit Index (CFI)                                                | Feasibility test of the proposed model with the basic model. If CFI closer to 1, indicating the highest level of fit. | Lower limit = 0  
|   |                                                                             |                                                                               | Upper limit = 1  
|   |                                                                             |                                                                               | CFI ≥ 0.90             |
| 5.| Tucker Lewis Index (TLI)                                                   | Comparing a model that was tested against a baseline model. The size measure combines parsimony into a comparative index between the proposed model and null model. | Lower limit = 0  
|   |                                                                             |                                                                               | Upper limit = 1.0  
<p>|   |                                                                             |                                                                               | TLI ≥ 0.90             |</p>
<table>
<thead>
<tr>
<th></th>
<th>Incremental Fit Index (IFI)</th>
<th>Subtract the hypothesized models in the denominator, to check if the hypothesis model is correct.</th>
<th>IFI ≥ 0.90</th>
</tr>
</thead>
</table>

Table 3.2: Tools for Measuring Model Fit

*Source: Applied from Cangur & Ercan (2015)*
CHAPTER IV
RESULTS AND DISCUSSIONS

4.1 Descriptive Analysis

This study is focused on the case of the influence of brand equity towards consumer purchase decision with the respondents are those who ever used/buy smartphone from Samsung. The questionnaire only targeted and distributed to people who is currently living in Bekasi, Indonesia. This close-ended questionnaire is opened for both male and female, with no restrictions to the age. There are 300 respondents who have been collected in this research.

Respondents Gender

![Respondents Gender Chart]

Figure 4.1: Respondents by Gender

*Source: Questionnaire Distributed by Researcher (2017)*

As can be seen in Figure 4.1, there are 300 respondents who are required to be analyzed that consisted of 52% male, which is 156 respondents and 48% are female, which is 144 respondents.
The table above shows respondents majority are mostly in the age of 20 – 24 years old by 140 respondents or 47%. The second rank are in the age of 15 – 19 years old by 112 respondents or 37%. There are 34 respondents or 11% are in the age of 25 – 29 years old. Respondents who in the age of 30 – 34 years old are 8 people or 3%. The 35 – 39 years old and > 40 years old category are consisted the same amount of 3 respondents or 1%, meanwhile there are no respondents who are in the age of below 14 years old.
Respondents Educational Qualification

Based on the table above, the respondents collected in this study are dominated by 3 educational qualification categories. The total of 124 or 42 percent respondents had qualify for Bachelor’s degree, followed by 27% had qualified for Junior High School and 24% are qualified from Senior High School. Then, the researcher found there are 11 respondents or 4% are had Diploma (Associate Degree) as their last educational qualification, 10 respondents or 3% are respondents who had qualified on Master’s Degree, and there are no respondents collected are having Doctoral Degree as their educational qualification.
By seeing figure 4.4 above, the majority in this research are students (university students & senior high school students), which dominated by 65% or 196 respondents, 18% of private employees with the number of 53, 24 respondents or 8% are professionals consisted of teacher, architect, doctor, etc., 5% or 15 respondents are entrepreneur and the last government officer are 4% or 12 respondents.
As we can see from 300 respondents collected in this study 40% or 120 respondents are having IDR 1,500,001 – IDR 3,000,000 monthly income. Next the second dominant from respondents data are 91 respondents or 30% are in the range below IDR 1,500,000 in terms of monthly income. 16% or 46 respondents monthly income are in the range of IDR 3,000,001 – IDR 5,000,000, followed by 12% or 36 respondents monthly income are in the range of IDR 5,000,001 – IDR 10,000,000. The respondents who are having monthly income over IDR 10,000,000 are 6 respondents or 2%.
Respondents who currently a user/buyer or a former user/buyer of Samsung smartphone

<table>
<thead>
<tr>
<th>Rank</th>
<th>Type</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Samsung Galaxy S Series + Edge</td>
<td>105</td>
</tr>
<tr>
<td>2</td>
<td>Samsung Galaxy A Series</td>
<td>61</td>
</tr>
<tr>
<td>3</td>
<td>Samsung Galaxy Note Series</td>
<td>57</td>
</tr>
<tr>
<td>4</td>
<td>Samsung Galaxy J Series</td>
<td>47</td>
</tr>
<tr>
<td>5</td>
<td>Samsung Galaxy Grand Series</td>
<td>45</td>
</tr>
<tr>
<td>6</td>
<td>Samsung Galaxy Tab Series</td>
<td>43</td>
</tr>
<tr>
<td>7</td>
<td>Other</td>
<td>18</td>
</tr>
<tr>
<td>8</td>
<td>Samsung Galaxy V Series</td>
<td>8</td>
</tr>
<tr>
<td>9</td>
<td>Samsung Galaxy E Series</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td><strong>Grand Total</strong></td>
<td><strong>391</strong></td>
</tr>
</tbody>
</table>

Table 4.1: Respondents who currently a user/buyer or a former user/buyer of Samsung smartphone

Source: Questionnaire Distributed by Researcher (2017)

After conducting research and collected a total of 300 respondents, the researcher found 391 Samsung smartphone products was chosen among 300 respondents, which means some respondents may have more than one of Samsung smartphone products, and the percentage of each respondents are 1,3% which is high. The major product chosen among 300 respondents are Samsung Galaxy S Series + Edge with the number of 105. Next 61 of 300 respondents also currently a user/buyer or a former user/buyer of Samsung Galaxy A Series. Samsung Galaxy Note Series, Samsung Galaxy J Series, Samsung Galaxy Grand Series, and Samsung Galaxy Tab Series are currently owned or have been bought by respondents with the number of 57, 47, 45 and 43. Next other Samsung products such as Samsung Gear S2,
Samsung Galaxy Ace, Samsung Galaxy Mini has the number of 18. The last Samsung Galaxy V series and Samsung Galaxy E series has the number each of 8 and 7 respondents.

4.2 Inferential Analysis

The researcher used Kaiser-Meyer-Olkin (KMO) Test, Barlett’s test, Communalities, and Rotated Component Matrix as parameters to check the validity of the data, meanwhile to check the reliability of the data this research needs Cronbach’s Alpha on SPSS Software.

4.2.1 Validity

Below are the tools used to analyze the validity test:

4.2.1.1 KMO-MSA and Barlett’s Test

<table>
<thead>
<tr>
<th>Kaiser-Meyer-Olkin Measure of Sampling Adequacy</th>
<th>0.922</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barlett's Test of Sphericity</td>
<td>3213.045</td>
</tr>
<tr>
<td>Approx. Chi-Square</td>
<td>253</td>
</tr>
<tr>
<td>Sig.</td>
<td>0.000</td>
</tr>
</tbody>
</table>

*Table 4.2: KMO-MSA and Barlett’s Test*

*Source: Analyzed from IBM® SPSS® 23rd version (2017)*

As seen on the Table 4.2, the KMO-MSA value is 0.922 which is in between 0.5 and 1.0. This means that brand equity toward purchase decision passed the requirement. We also can see the Barlett’s Test of Sphericity on the table which shows the sig. value of 0.000 means the value passed the requirement in which it should be below 0.05.
4.2.1.2 Communalities

Table 4.3: Communalities

| Source: Analyzed from IBM® SPSS® 23rd version (2017) |

Table 4.3 shows the communalities values from 21 questions. As the requirement to pass, the communalities value must more than 0.5 and all the variables are passed the requirement. This table shows that the variable is closely associated with the factor.
4.2.1.3 Convergent Validity (Rotated Component Matrix)

Table 4.4: Rotated Component Matrix

Source: Analyzed from IBM® SPSS® 23rd version (2017)

The items that need to be checked for its validity toward its variable average, researcher used convergent validity. Convergent validity also can be seen from the table of Rotated Component Matrix. Researcher divided the component into 5 factors as seen on the table above. Each variable is occupying its own factor: Brand Awareness (BAW) is representing variable X1 and occupying factor number 2, Brand Association (BAS) represents...
variable X2 and occupying factor number 4, followed by the third variable (X3) which is Perceived Quality (PQY) occupying factor number 5, next the first factor is occupied by fourth variable (X4) which is Brand Loyalty (BLO), and the last the Y variable which is Purchase Decision (PDS) are occupying factor number 3.

The Rotated Component Matrix tables shows that Brand Awareness (in the table: BAW1, BAW2, BAW3, BAW4 and BAW 5) is highly correlate with the measured variables. All variables are passed the standard which is greater than 0.5 and has high correlation with the measured variable means that those indicators are converged within this variable.

The table above conclude that Brand Association (in the table: BAS1, BAS2 and BAS3) is highly correlate with the measured variables. All variables are passed the standard which is greater than 0.5 and has high correlation with the measured variable means that those indicators are converged within this variable.

The table above also can be conclude that Perceived Quality (in the table: PQY1, PQY2, PQY3 and PQY4) is highly correlate with the measured variables. All variables are passed the standard which is greater than 0.5 and has high correlation with the measured variable means that those indicators are converged within this variable.

From the table above, it can be concluded that Brand Awareness (in the table: BLO1, BLO2, BLO3, BLO4, BLO5 and BLO6) is highly correlate with the measured variables. All variables are passed the standard which is greater than 0.5 and has high
correlation with the measured variable means that those indicators are converged within this variable.

Then the last as seen from the table above, it can be concluded that Purchase Decision (in the table: PDS1, PDS2, PDS3 and PDS4) is highly correlate with the measured variables. All variables are passed the standard which is greater than 0.5 and has high correlation with the measured variable means that those indicators are converged within this variable.

4.2.2 Reliability

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s Alpha</th>
<th>N of Items</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Awareness</td>
<td>0.825</td>
<td>5</td>
<td>Reliable</td>
</tr>
<tr>
<td>Brand Association</td>
<td>0.757</td>
<td>3</td>
<td>Reliable</td>
</tr>
<tr>
<td>Perceived Quality</td>
<td>0.763</td>
<td>4</td>
<td>Reliable</td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>0.890</td>
<td>5</td>
<td>Reliable</td>
</tr>
<tr>
<td>Purchase Decision</td>
<td>0.765</td>
<td>4</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

Table 4.5: Reliability Test

*Source: Analyzed from IBM® SPSS® 23<sup>rd</sup> version (2017)*

After validity test, this is the result of the reliability test. The requirement to be reliable is the Cronbach’s Alpha must be more than 0.7. As seen from the table 4.5 the value of Cronbach’s Alpha of every variable are more than 0.7 which are remarked as reliable. To be explained, the Cronbach’s Alpha value of Brand Awareness is 0.825, Brand Association’s value is 0.757, the Cronbach’s Alpha of Perceived Quality value is 0.763, and the last variable Brand Loyalty Cronbach’s Alpha has 0.890 value.
4.3 Structural Equation Modeling (SEM) Analysis

A structural equation modeling was conducted with the independent variables used in this study which is Purchase Decision, and Brand Awareness together with Brand Association, Perceived Quality, Brand Loyalty as the dependent variable. The analysis is done by using IBM® SPSS® AMOS™ 24th version as the software tool. In this research, the data was considered as normal, thus the data can be used in testing the hypothesis. The variables are being tested using Structural Equation Modeling (SEM) in order to test the truthfulness of theoretical framework and hypothesis proposed by researcher. The variables are categorized into two type of variables which are independent variable (Purchase Decision) and dependent variables (Perceived Quality, Brand Loyalty, Brand Awareness and Brand Association).

Within the SEM evaluation, the first step of analyzing is to construct a course diagram of the variables that are going to be analyzed. The direction diagram in this hypothesis testing is primarily based at the result of the factor evaluation. After the course diagram has been constructed, the next step is to research the output. The result of the standardized estimates calculation is proven within the parent 4.6 beneath.
Figure 4.6: Standardized Estimates Calculation of SEM (Proposed Model)

Source: Analyzed from IBM® SPSS® AMOS™ 24th version (2017)

The output obtained based from figure 4.6 can be seen below:
4.3.1 Assessing the Goodness-of-Fit

<table>
<thead>
<tr>
<th>Goodness-of-Fit Index</th>
<th>Good Fit Value</th>
<th>Value</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>X² – Chi Square</td>
<td>P &lt; 0.05</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>CMIN/DF</td>
<td>CMIN/DF ≤ 2.00</td>
<td>1.926</td>
<td>Good Fit</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.05 &lt; RMSEA ≤ 0.08</td>
<td>0.052</td>
<td>Good Fit</td>
</tr>
<tr>
<td>TLI</td>
<td>0.90 ≤ TLI ≤ 1</td>
<td>0.921</td>
<td>Good Fit</td>
</tr>
<tr>
<td>CFI</td>
<td>0.90 ≤ CFI ≤ 1</td>
<td>0.939</td>
<td>Good Fit</td>
</tr>
<tr>
<td>IFI</td>
<td>0.90 ≤ IFI ≤ 1</td>
<td>0.940</td>
<td>Good Fit</td>
</tr>
</tbody>
</table>

Table 4.6: Result of SEM Model Fit

*Source: Analyzed from IBM® SPSS® AMOS™ 24th version (2017)*

The result of Structural Equation Modeling (SEM) Model Fit that has been obtained from statistical software should be compared with the Good Fit cut-off value criteria, and the value should pass the criteria in order to be interpreted as acceptable.

The table 4.6 shows the result of SEM Model Fit. Measuring the Chi-square is the first step to indicates wheter the model fits the data or indicates the different between the estimated population covariance and the sample covariance. The smaller value of Chi-square means the value are more better. As seen from the table above the Chi-square value is 0.000 which means the value is significant. The value also means that the difference of estimated population covariance and the sample covariance is very low, or can be concluded as equal.
The next step is measuring the value of CMIN/DF, which means the Chi-square divided by degree of freedom. Table 4.6 above shows the value of CMIN/DF is 1.926, can be obtained from the discrepancy divided by degrees of freedom (344.733 / 179 = 1.926). Therefore the model is good fit.

After measuring CMIN/DF, the next step is going to measure RMSEA which is the average delta in degree of freedom which is expected to occur in population (not the sample). From the experience of Cangur & Ercan (2015), it can be said to indicate a convergence fit to the analyzed data of the model while it indicates a good fit when it produces a value between 0.05 and 0.08. The table above shows the value of RMSEA is 0.052 and categorized as good fit, as the value in between criteria which is below 0.08 and more that 0.05. Thus the model is concluded to be occurring in population.

The TLI (Tucker-Lewis Index) is the next step after measuring RMSEA. The Tucker-Lewis coefficient in the context of analysis of moment structures, and is also known as Bentler-Bonett Non-normed Fit Index (NNFI). The size of TLI is measuring the comparison between the proposed model and the possible alternative model. The value of TLI is 0.921 as from the table above, and it is fit the criteria which is ≥ 0.90. The value of TLI greater than 0.90 closely to 1 can be categorized as good fit.

Incremental Fit Index (IFI) test are needed to check whether the proposed model is correct or not. If the value of IFI is less than 0.9 (≤ 0.9), the model is acceptable and categorized as a mediocre-fit.
The value of IFI greater than 0.90 closely to 1 can be categorized as good fit. The table shows that the value of IFI in this research is 0.940 which is fit the criteria therefore the model is good fit and the proposed model is correct.

The last step to measure is to check the CFI model. The CFI is identical with Relative Noncentrality Index (RNI). CFI needs to measure the improvement in non-centrality in going of the model. The table above showed the CFI value is 0.939 and categorized as good fit because the value fit the criteria (0.90 ≤ CFI ≤ 1). If CFI closer to 1, indicating the highest level of fit, as the upper limit is 1 and lower limit is 0. Thus this result are nearly indicates the highest level of fit.

The conclusion after measuring the Model Fit index is that all the models are good fit and acceptable in population which means fit to reach reasonable level in real life application, as the value are nearly reach or indicate the highest level of fit which is the upper limit is 1.

### 4.3.2 Modification and Interpretation of Model Estimates

<table>
<thead>
<tr>
<th>Label</th>
<th>Estimate</th>
<th>S.E</th>
<th>C.R.</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDS &lt;-- BLO</td>
<td>.476</td>
<td>.112</td>
<td>4.249</td>
<td>*** par_22</td>
</tr>
<tr>
<td>PDS &lt;-- BAW</td>
<td>-.007</td>
<td>.075</td>
<td>-.093</td>
<td>.926 par_23</td>
</tr>
<tr>
<td>PDS &lt;-- BAS</td>
<td>-.147</td>
<td>.128</td>
<td>-1.146</td>
<td>.252 par_24</td>
</tr>
<tr>
<td>PDS &lt;-- PQY</td>
<td>.409</td>
<td>.138</td>
<td>2.961</td>
<td>.003 par_25</td>
</tr>
</tbody>
</table>

Note: *** is P < 0.001

**Table 4.7: Regression Weight**

_{Source: Analyzed from IBM® SPSS® AMOS™ 24th version (2017)}
Estimate value reflects the relations between independent variable toward the dependent variable. As seen from the table 4.7 above the P value of Brand Loyalty is ***, means the chance of getting a essential ratio as massive as 4.249 in absolute value is much less than 0.001. In other phrases, the regression weight for Brand Loyalty toward Purchasing Decision is notably unique from 0 on the 0.001 degree (two-tailed). Consequently the hypothesis of brand Loyalty in the direction of Purchase Decision is great and significant with the data of the information.

The other significance of the data can be shown from table 4.7, which is Perceived Quality. The chance of having a critical ratio as big as 2.961 in absolute value is less than 0.003. In other phrases, the regression weight for Perceived Quality towards Purchasing Decision is considerably exceptional from zero on the 0.01 stage (two-tailed). For that reason, the hypothesis of Perceived Quality toward Purchasing Decision is enormous and supported through the statistics.

The following statistics as may be seen from the table 4.7 above is the P cost of Brand Awareness is 0.926. This means the opportunity of getting a critical ratio as big as 0.093 in absolute value is 0.926. In other phrases, the regression weight of Brand Awareness in the prediction of Purchasing Decision isn't significant or notably one-of-a-kind from 0 on the 0.05 degree (two-tailed). According to the data, the hypothesis of Brand Awareness toward Purchase Decision isn't supported through the information and no longer tremendous.
The last data proven from the table 4.7 above is the P value of Brand Association is 0.926. This means the possibility of getting a critical or crucial ratio as big as 1.146 in absolute value is 0.252. In other phrases, the regression weight of Brand Association within the prediction of Purchasing Decision is not considerably extraordinary or significantly different from 0 on the 0.05 level (two-tailed). For this reason, the hypothesis of Brand Association towards Purchasing Decision is not supported with the aid of the data and now not significant.

The conclusion obtained from table 4.7 above is that Brand Loyalty and Perceived Quality are significantly influencing Purchase Decision, while Brand Awareness and Brand Association are not significantly influencing Purchase Decision.

<table>
<thead>
<tr>
<th>Estimate</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PDS &lt;--- BLO</td>
<td>.549</td>
</tr>
<tr>
<td>PDS &lt;--- BAW</td>
<td>-.006</td>
</tr>
<tr>
<td>PDS &lt;--- BAS</td>
<td>-.144</td>
</tr>
<tr>
<td>PDS &lt;--- PQY</td>
<td>.384</td>
</tr>
</tbody>
</table>

**Table 4.8: Standardized Regression Weight**

*Source: Analyzed from IBM® SPSS® AMOS™ 24th version (2017)*

The standardized regression weight test as can be seen from the table 4.8 above, Brand Loyalty have the highest influence towards Purchase Decision, while the lowest influence towards Purchase Decision is Brand Awareness. Whilst Perceived Quality goes up by means of 1 standard deviation, purchase decision is going up by means of 0.384 standard deviations. While Brand Loyalty is going up by 1 standard deviation, Purchase Decision is going up by 0.549
standard deviations. when Brand Awareness is going up through 1 standard deviation, Purchase Decision goes up via 0.006 standard deviations, and while Brand Association goes up through 1 standard deviation, Purchase Decision goes up by 0.144 standard deviations.

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDS</td>
<td>.584</td>
</tr>
</tbody>
</table>

**Table 4.9: Squared Multiple Correlations (R²)**

*Source: Analyzed from IBM® SPSS® AMOS™ 24th version (2017)*

The Squared Multiple Correlations (R²) as seen from the table 4.9 explains the ability of the predictor to indicate each variance. The result on table X is estimated that the predictors of Purchase Decision explain 58.4% of its variance. In the other words, there are still 41.6% more variances that can influencing the Purchase Decision.

<table>
<thead>
<tr>
<th></th>
<th>BAS</th>
<th>BAW</th>
<th>BLO</th>
<th>PQY</th>
<th>PDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDS</td>
<td>-.144</td>
<td>-.006</td>
<td>.549</td>
<td>.384</td>
<td>.000</td>
</tr>
</tbody>
</table>

**Standardized Total Effect**

<table>
<thead>
<tr>
<th></th>
<th>BAS</th>
<th>BAW</th>
<th>BLO</th>
<th>PQY</th>
<th>PDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDS</td>
<td>-.144</td>
<td>-.006</td>
<td>.549</td>
<td>.384</td>
<td>.000</td>
</tr>
</tbody>
</table>

**Standardized Direct Effect**

<table>
<thead>
<tr>
<th></th>
<th>BAS</th>
<th>BAW</th>
<th>BLO</th>
<th>PQY</th>
<th>PDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDS</td>
<td>-.144</td>
<td>-.006</td>
<td>.549</td>
<td>.384</td>
<td>.000</td>
</tr>
</tbody>
</table>

**Standardized Indirect Effect**

<table>
<thead>
<tr>
<th></th>
<th>BAS</th>
<th>BAW</th>
<th>BLO</th>
<th>PQY</th>
<th>PDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDS</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

**Table 4.10: Standardized Effect of Exogenous towards Endogenous Variable**

*Source: Analyzed from IBM® SPSS® AMOS™ 24th version (2017)*
Standardized Effect of Exogenous towards Endogenous variable as seen from the table 4.10 above explains about direct and indirect effect for exogenous to endogenous variable. The result shows that there is no indirect effect between Brand Association, Brand Awareness, Brand Loyalty and Perceived Quality towards Purchase Decision. While the biggest direct influence are came from Brand Loyalty which is 54.9% (0.549) and Perceived Quality which is 38.4% (0.384).

4.4 Discussions

4.4.1 Brand Awareness towards Purchase Decision

Based on the research result, Brand Awareness is not significantly influencing Purchase Decision of Samsung smartphone by only 0.6%. Meanwhile according to the research by Boonwanna, Srisuwannapa, and Rojinruttikul (2014) Brand Awareness did most affect towards Purchase Decision process of buying doughnuts from the department stores in Bangkok by 52.3%.

4.4.2 Brand Association towards Purchase Decision

According to the research by Boonwanna, Srisuwannapa, and Rojinruttikul (2014), Brand Association as the element of Brand Equity are not influencing Purchase Decision process of buying doughnuts from the department stores in Bangkok by 9.5%. This result shows the same value which Brand Association is not significantly influencing Purchase Decision of Samsung smartphone by only 14.4%.
4.4.3 Perceived Quality towards Purchase Decision

The research result shows that Perceived Quality are significantly influencing Purchase Decision by 38.4%. This is also supported by the result of research conducted by Gunawardane (2015), which is stated that Perceived Quality are significantly influencing Purchase Decision Mobile Telecommunication Services of Sri Lanka by 33.8%.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>High quality</td>
<td>4.01</td>
</tr>
<tr>
<td>Respect</td>
<td>3.82</td>
</tr>
<tr>
<td>Leadership</td>
<td>3.80</td>
</tr>
<tr>
<td>Growing in popularity</td>
<td>3.99</td>
</tr>
</tbody>
</table>

Table 4.11: Perceived Quality indicators with average

Source: Questionnaire Distributed by Researcher (2017)

As seen from the table 5.2 among those 4 valid indicator that explained the meaning of perceived quality, the researcher found the biggest average from 300 respondents is high quality with the average is 4.01 of 5. Meanwhile, leadership indicator showed the lowest average among those indicators that explaining perceived quality by 3.80 of 5.
4.4.4 Brand Loyalty towards Purchase Decision

According to the research result conducted by Akhtar et al. (2016), Brand Loyalty as the element of Brand Equity have significant impact towards Purchase Decision on L’oreal skincare products in Lahore, Pakistan by 27.7%. This result has the same direction as based on the research result shows Brand Loyalty are significantly influencing Purchase Decision of Samsung smartphone by 54.9%. Thus, the most influential variable of Brand Equity towards Purchase Decision is Brand Loyalty.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expressed loyalty</td>
<td>3.41</td>
</tr>
<tr>
<td>Satisfaction with previous purchase</td>
<td>3.84</td>
</tr>
<tr>
<td>Recommendations to friends/family</td>
<td>3.68</td>
</tr>
<tr>
<td>Purchase intention</td>
<td>3.60</td>
</tr>
<tr>
<td>Consideration</td>
<td>3.45</td>
</tr>
<tr>
<td>Willingness to pay price premium</td>
<td>3.61</td>
</tr>
</tbody>
</table>

Table 4.12: Brand Loyalty indicators with average

Source: Questionnaire Distributed by Researcher (2017)

Applied from Donlan (2014), among those 6 indicators that explained the meaning of brand loyalty, the researcher found the biggest average from 300 respondents is satisfaction with previous purchase with the average is 3,84 of 5. Meanwhile among those indicators explaining brand loyalty, respondents does not really express their loyalty to Samsung. The indicators of expressed loyalty has the lowest average with the number of 3,41 of 5.
CHAPTER V
CONCLUSION AND RECOMMENDATION

5.1 Hypothesis Answers

1. Since the significance value of Brand Awareness (BAW) is more than 0.05 explains that Brand Awareness has no partial significant influence towards Purchase Decision. Therefore, the Null Hypothesis (H₀₁) is accepted and the Alternate Hypothesis (Hₐ₁) is rejected.

2. Since the significance value of Brand Association (BAS) is more than 0.05 explains that Brand Association has no partial significant influence towards Purchase Decision. Therefore, the Null Hypothesis (H₀₂) is accepted and the Alternate Hypothesis (Hₐ₂) is rejected.

3. Since the significance value of Perceived Quality (PQY) is below 0.05 explains that Perceived Quality has partial significant influence towards Purchase Decision. Therefore, the Null Hypothesis (H₀₃) is rejected and the Alternate Hypothesis (Hₐ₃) is accepted.

4. Since the significance value of Brand Loyalty (BLO) is below 0.05 explains that Brand Loyalty has partial significant influence towards Purchase Decision. Therefore, the Null Hypothesis (H₀₄) is rejected and the Alternate Hypothesis (Hₐ₄) is accepted.

5.2 Future Recommendations

5.2.1 Company

As stated in the beginning of this research, the researcher wanted to know the influence of Brand Equity towards Consumer Purchase Decision: A Study Case of Samsung smartphone in Bekasi. Based on the research, the result shows the biggest variable that significantly influencing Purchase Decision of Samsung
smartphone is Brand Loyalty. Since Brand Loyalty has the most significant influence, the Company must pay proper attention towards their customer loyalty.

The six indicators of brand loyalty used in this research showed the highest score is satisfaction with previous purchase, while the lowest score is from the indicator expressed loyalty. This result showed that consumer loyalty on purchasing Samsung smartphones are coming from their satisfaction from the previous purchase, which means the consumers are satisfied with the overall smartphones launched by Samsung. Furthermore, the value of expressed loyalty among Samsung customers needs to be increased.

Perceived quality also showed a significant influence towards purchase decision. Among the 4 valid indicator of perceived quality used in this research, the result showed high quality indicator are is the highest score, while the lowest score from the indicator is leadership. This result showed that the high quality products from Samsung smartphone already recognized and accepted by major respondents, which means Samsung always makes an innovative and high quality products over time, remembering Samsung already having so many variants/series from their smartphone products. The value from the indicators ‘leadership’ needs to be increased so that respondents will be more convinced that Samsung is the leader in the smartphone industry, despite they already dominating the global market in the recent years.
While Samsung has internationally recognized with their strong brand name, the customers are more confident with the brand and it is perceived to be more trustworthy. Customer who already trust the company will always more considered to purchase every product launched by the Company. If Samsung continues to innovating their previous smartphones quality, the consumer satisfaction with their previous purchase will always remain high and it would be an advantage for Samsung to compete and dominate the smartphone industry in Indonesia, especially Indonesia are the fourth most population in the world by more than 258 million people (Internet World Stats, 2016).

5.2.2 Future Research

Based on the research result, the Squared Multiple Correlations ($R^2$) showed the value of 0.584 means this research conducted are explains 58.4% of its variance. There are still 41.6% more variances that influence Purchase Decision are not explained in this study. The researcher recommends the future research to be adding more variables towards Purchase Decision, so it can be more percentage that explained the independent variable (Y). The researcher found that Brand Equity can be more explained through some factors explained in this study. For instance, Farjam and Hongyi (2015) explained there are 1 more factor of brand equity which is brand asserts. Another factors of brand equity suggested by the researcher can be found on the previous research conducted by Heidarian, Kariznooe & Bijandi (2015), which believes that there are 5 more factors of brand equity which are brand experience, brand image, perceived relevance, brand satisfaction and brand trust. Those serveral factors can be used to analyzed the
influence of brand equity towards consumer purchase decision. Furthermore, consumer’s purchase decision of smartphone can be influenced by other factors instead of brand equity. According to Sujata et al. (2016), there are 5 factors that affecting smartphone purchase decision which are technology feature, hardware feature, basic feature, brand feature and financial features. The researcher recommend those factors to explains more 41.6% variances that influence purchase decision which are not explained in this research.

5.2.3 University
The researcher expects this research will be supported by the University to continuously expand this body of knowledge so this study wouldn’t stop until here. This researcher recommends University to publish this research in order to increase the University's credibility.

5.24 Researcher
In conducting this research, the researcher needs to be more expand the body of knowledge by actively read more journals, books, and other resources that might be valuable for this study.
REFERENCES

JOURNALS


**WEBSITES**


