The Influence of Brand Equity and Product Quality on Houses Purchase Decisions in Bukit Cimanggu City Residents

Kris Banarto
Kusuma Negara Business School Jakarta, Indonesia
* krisbanarto@gmail.com

Abstract   : *Effects of Brand Equity and Product Quality Against Buying Decision of Houses in Bukit Cimanggu City Bogor Residents. The research was done by taking the respondents from the buyer at the same time as the residents in the Bukit Cimanggu City Bogor, marketing approaches, in particular to explore and analyze the influence of brand equity and product quality against the decision of buying house in Bukit Cimanggu City Bogor. Research data analysis is done using statistical and quantitative analysis descriptive, prime data obtained from the results of empirical research through questionnaires. The sample size in this study were 100 people, drawn to a simple random sample drawn in a way, and as many as 20 people to test the instrument. The results showed that the influence of brand equity on purchase decisions was 19.1%, the effect of the decision of purchasing the product quality by 58.2% and is jointly brand equity and product quality influence on purchase decisions of 67.4%.*

1   INTRODUCTION

Some research on brands shows a very significant relationship between brands and various benefits that can be obtained by the company. In further developments, a brand is a name that is considered to represent an object. For example, Honda is considered to represent motorcycles and Pepsodent represents toothpaste. Developing a strong brand, turns out to be in touch with all aspects of the organization, because the definition of the brand itself has undergone a shift. From just a name or sign that represents a product, its meaning extends to a reflection of the internal and external conditions of the organization. The strength of a brand lies in its ability to influence buying behavior. Brands are believed to have great power to lure people to buy products or services. Quality products are products that can meet the needs and desires of customers. But it is not that easy because of the many competitors. The product must be able to compete or be different from other products in order to win the market. While purchasing decisions are more often based on brand considerations than other things. Many product variations for the same type of product but with different brands. Advances in digital technology have changed consumer behavior in determining purchases. Consumers easily get product information from online media.

2   LITERATURE REVIEW

Brand Equity

David A. Aaker in Andi M Sadat (2009; 163) brand equity is a set of assets and liabilities associated with a brand, name and symbol that increase or decrease the value provided by a product or service to the company

and or the company's customers. Kotler and Keller (2002; 263) say that brand equity is the added value given to products and services. Brand equity can be reflected in the way consumers think, feel, and act in relation to the brand. Also, the price, market share and profitability that the brand provides for the company. Durianto, et al, (2001) say that brand equity is a set of brand assets and liabilities related to a brand, name, symbol, which can increase or decrease the value provided by a product or service to the company or to the company's customers.

Product Quality

In the perspective of TQM (Total Quality Management), quality is seen more broadly, not only the outcome aspect is emphasized, but also the process, the environment, and people (Mts.Arief, 2007; 117). This is evident in the definition formulated by Goetsh and Davis in Mts. Arief, (2007; 117) that quality is a dynamic condition associated with products, services, people, processes, and the environment that meet or exceed expectations. Philip Kotler in Mts. Arief (2007; 117) defines quality as the overall characteristics and properties of a product or service that affect its ability to meet stated or implied needs. According to Goetsch and Davis (1997:3) Quality is a dynamic state associated with products, services, people, processes, environments that achieve or exceed expectations. According to Stanton (1996), the quality of a product is a collection of tangible and intangible attributes, including packaging, color, price, quality and brand plus services and sales reputation.

Purchase Decision

According to Engel, Blackwell and Miniard (1990), consumer behavior is defined as "…. those actions directly involved in obtaining, consuming, and disposing of products and services, including the decision processes that precede and follow this action". According to Mowen (1995), "Consumer behavior is defined as the study of the buying units and the exchange processes involved in acquiring, consuming, disposing of goods, services, experiences, and ideas". Meanwhile, The American Marketing Association defines consumer behavior as a dynamic interaction of influence and awareness, behavior, and the environment in which humans exchange aspects of their lives. In other words, consumer behavior includes the thoughts and feelings experienced by humans and the actions taken during the consumption process (Peter & Olson, 2005).
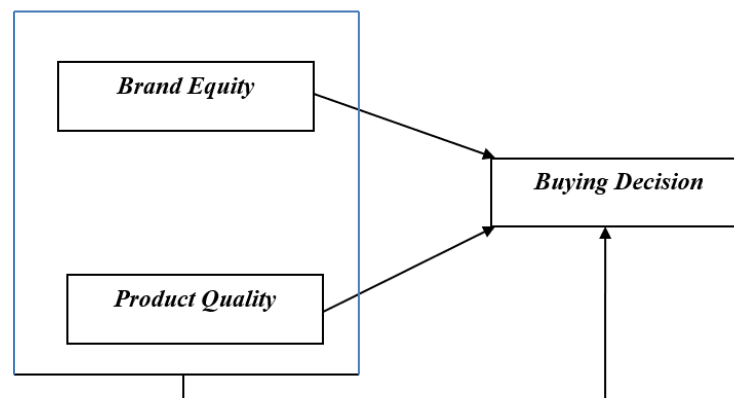

Figure 1. Theoretical Framework

Hypothesis
1. Brand equity affects consumer purchasing decisions in buying a house in Bukit Cimanggu City.
2. Product quality influences consumer purchasing decisions in buying houses in Bukit Cimanggu City.
3. Brand equity and product quality together influence consumer purchasing decisions in buying houses in Bukit Cimanggu City

3   RESEARCH METHOD

Quantitative data analysis is a form of analysis that uses numbers and calculations with statistical methods, so the data must be classified in certain categories using certain tables to make it easier to analyze using the SPSS for Windows version 20.0 program. In this analysis it can be seen how the independent variables, namely Brand Equity (X1) and Product Quality (X2), affect (positively or negatively) the dependent variable, namely the Decision to Purchase a House in Bukit Cimanggu City (Y).

4   FINDINGS AND DISCUSSION

Brand Equity Variable Validity Test

Determining the value of r table: df = n-2, then 30-2 = 28, significant level 5%, obtained number: 0.3061. Then it can be seen that r results are greater than the value of r table, then all question items are valid.

Product Quality Variable Validity Test

Determining the value of r table: df = n-2, then 30-2 = 28, significant level 5%, obtained number: 0.3061. Then it can be seen that r results are greater than the value of r table, then all question items are valid.

Purchasing Decision Variable Validity Test

Determining the value of r table: df = n-2, then 30-2 = 28, significant level 5%, obtained number: 0.3061. Then it can be seen that r results are greater than the value of r table, then all question items are valid.

Brand Equity Variable Reliability Test

From the results of the analysis, it can be seen that r Alpha is positive and greater than r table (0.921 > 0.7), so the questions on the brand equity variable are reliable.

Product Quality Variable Reliability Test

From the results of the analysis, it can be seen that r Alpha is positive and greater than r table (0.911 > 0.7), so the questions on the product quality variable are reliable.

Purchasing Decision Variable Reliability Test

From the results of the analysis, it can be seen that r Alpha is positive and greater than r table (0.917 > 0.7), so the questions on the purchasing decision variable are reliable.

Correlation Analysis

		Purchase Decision	*Brand Equity*	*Quality Product*
Pearson Correlation	*Purchase Decision*	*1.000*	*.400*	*.650*
	Brand Equity	*.400*	*1.000*	*.358*
	Product Quality	*.650*	*.358*	*1.000*
Sig. (1-tailed)	*Purchase Decision*	*.*	*.000*	*.000*
	Brand Equity	*.000*	*.*	*.000*
	Product Quality	*.000*	*.000*	*.*

Based on the analysis data obtained, it can be concluded as follows:

The correlation between brand equity and purchasing decisions is positive, or the better brand equity, the purchasing decisions tend to increase. And vice versa, the worse the brand equity, the lower the purchasing decision. The correlation number (0.400) shows the relationship between the two variables (the correlation between the two variables) is quite strong.

The correlation between product quality and purchasing decisions is positive, or the better the product quality, the better the purchasing decisions. And vice versa, the worse the quality of the product, the lower the purchasing decision. The correlation number (0.650) shows

5   DISCUSSION

Brand Equity

Brand equity variable, which respondents perceive as good and the best is when respondents are asked what housing is in the city of Bogor, among them respondents will mention Bukit Cimanggu City from 100 respondents who answered agree and strongly agree by 100%. Meanwhile, what respondents considered not to be in accordance with their expectations was that respondents were not willing to pay a higher price for Bukit Cimanggu City compared to other housing in the same class. Of the 100 respondents who answered strongly disagree, disagree and enough by 62%.

Product Quality

The product quality variable, which respondents perceive as good and the best is that the house in Bukit Cimanggu City has increased in price from year to year. Of the 100 respondents who answered agree and strongly agree by 89%. Bukit Cimanggu City Housing has the main function as a decent place to live, from 100 respondents who answered agree and strongly agree by 84%. Bukit Cimanggu City has a go green concept, out of 100 respondents who answered agree and strongly agree by 80%. Meanwhile, what respondents considered not to be / did not meet their expectations were that respondents did not find significant house damage in Bukit Cimanggu City, out of 100 respondents who answered strongly disagree, disagree and quite 61%.

Purchase Decision

From the purchasing decision variables, respondents perceive all are good because of all the questions that are perceived as unsatisfactory only 12%. Namely, after getting several choices of houses, the respondent made an assessment according to the respondent's wishes and decided to buy a house in Bukit Cimanggu City because it was in accordance with their needs and desires. Of the 100 respondents who answered enough only 12%, while the rest answered agree and strongly agree (88%).

Significance of Correlation Results

In this study, the significance number used was 0.05 (5%), so from the results of the analysis obtained: The correlation between Brand Quality and Purchase Decision is significant (the probability is 0.000 which is far below 0.05), which means that there is a really significant relationship between brand quality and purchasing decisions. The correlation between product quality and purchasing decisions is significant (the probability is 0.000, which is far below 0.05), which means that there is a really significant relationship between product quality and purchasing decisions.

Based on the results of the analysis shown in the table above, the price of the correlation coefficient is R = 0.674, which means it is greater than 0, thus it is stated that there is an influential relationship between Brand Equity (X1) and Product Quality (X2) variables together. the same for the Purchasing Decision variable (Y). The R number (correlation coefficient) of 0.674 shows that 67.4% of the Brand Equity (X1) and Product Quality (X2) variables affect the Purchase Decision variable (Y).

6   CONCLUSION

Based on the results of the research on the Effect of Brand Equity and Product Quality on Houses Purchase Decisions at Bukit Cimanggu City Bogor, it can be concluded: Whereas the frequency distribution of Brand Equity (X1) variable, the highest frequency of respondents' answers are those who say agree and strongly agree more than 50%, which is 76.38%. The Brand Equity variable that respondents perceive as good and the best is when respondents are asked what housing is in the city of Bogor, then among them respondents will mention Bukit Cimanggu City, respondents who answered agree and strongly agree by 100%. Meanwhile, what is considered by respondents that it has not/didn't meet their expectations is that respondents are not willing to pay a higher price for Bukit Cimanggu City compared to other housing in the same class, respondents who answered strongly disagree, disagree and quite, by 62%. Whereas the frequency distribution of the Product Quality variable (X2), the highest frequency of respondents' answers are those who say agree and strongly agree more than 50%, which is 65.54%. Product Quality Variable, which respondents perceive as good and the best is the house in Bukit Cimanggu City experiencing price increases from year to year, respondents who answered agree and strongly agree by 89%. Meanwhile, what respondents considered not to be in accordance with their expectations were that respondents did not find significant house damage in Bukit Cimanggu City, 61% of respondents who answered strongly disagreed, disagreed and enough.

That the frequency distribution of the Purchase Decision variable (Y), the highest frequency of respondents' answers are those who say agree and strongly agree more than 50%, which is 89%. Respondents perceive that everything is good because of all the questions that are perceived as unsatisfactory only 12%, namely after getting several choices of houses, respondents make an assessment according to the wishes of the respondent and the respondent decides to buy a house in Bukit Cimanggu City, because it is in accordance with the needs and desires. answered agree and strongly agree by 88%.

The correlation between Brand Equity and Purchase Decision is positive, or the better the Brand Equity, the purchasing decision tends to increase. Vice versa, the worse the Brand Equity, the lower the purchasing decision, the correlation number (0.400) shows the correlation of the two variables is quite strong. The correlation between Product Quality and Purchase Decision is positive, or the better the Product Quality, the better the Purchase Decision. Vice versa, the worse the product quality, the lower the purchasing decision, the correlation number (0.650) shows a strong correlation between the two variables. The magnitude of the influence of the Brand Equity variable on the Purchasing Decision variable is 19.1% and the influence of the Product Quality variable on the Purchasing Decision variable is 58.2%, while the correlation coefficient of the influence of the Brand Equity variable (X1) and the Product Quality variable (X2) together to the Purchase Decision (Y) variable, amounting to 67.4%. The coefficient of determination of 45.5% Brand Equity and Product Quality determine the Purchase Decision variable, while the remaining 54.5% is determined by another variable

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