

1. Introduction

1.1. Background

The desire of firms and organizations to formulate a competitive advantage were pretty obvious. In this attempt, branding frequently assumes as a critical part. Commonly, it is regularly less expensive to hold clients rather than gain new ones (Rosenberg and Czepiel, 1983); also, the loyalty of the customers are less price sensitive (Krishnamurthi and Raj, 1991); and thirdly, that a company's transactional degree is increasingly relevant with the loyalty expands (Aaker, 1991). Therefore, the loyalty to the brand is seen as a core for some organizations to manage its competitive advantages and considered as a key idea in marketing communication practice (Schiffman and Kanuk, 2010). Oliver (1999) characterizes brand loyalty as a profound that attach a sense of reliability to repurchase a chosen (or an arrangement) over different brands, it happens autonomously by the outer strengths. For example, the settings in certain situation or showcasing the potential of the brands that attract an exchanging conduct of a certain product or services by the customers (Oliver, 1999). A fundamental definition is provided by Jacoby and Kyner (1973) who characterize brand loyalty as a "one-sided i.e. non-random, behavioral reaction i.e. purchase, that communicated overtime by a similar unit regarding at least one option of a brand and it is a part of human-nature process". Both these definitions suggest that brand loyalty has a behavioral and additionally an attitudinal part. The behavioral

segment alludes to real purchase behavior, rather than expressed by aims (attitudinal component). Moreover, the behavioral part experiences various estimation confinements which, in a developing business sector, are frequently happened because of an absence of fundamental assets to secure the images of the brand.

Advertising has for quite some times been utilized by business firms to drive in, and hold potential customers through various form of communication (Yang, Bi, and Zhou, 2005). It is regularly trusted that advertising tends to give positive influences to brand loyalty (Agrawal, 1996), with firms particularly rehash the advertising to energize and trigger purchasing (Yang et al., 2005). Thus, the researcher assume that business and organizations believes that advertising is one of the most effective ways to building desired brand equity. This research was trying to analyze how the consumers' response toward advertising that conducted by certain organizations, it is measured by how the consumer react and relate it to the brand equity. Based on the framework also refer to Brand Equity Model by (Aaker, 1991) the writer had been agreeing that brand equity were forming with some aspects which are brand awareness, perceived quality, brand associations, and brand loyalty. Whereas, in this research, the writer attest that brand awareness, perceived quality, brand associations and brand loyalty were affected by advertising spending and consumer attitudes towards the advertisements that launched by the brand.

However, many fractions still wonders how advertising works in brand equity creation of certain product or services. In this research, the writer assume that advertising effects depend on the types of messages that delivered. Thus, massive advertising will affect the message received by the audience. In particular, the belief is that a subject that presented as a stimulus in the advertisement will lead to the responds (i.e. purchase, recall, associations) to that stimulus will produce "behavior" (the object of psychology's study, as a field). It slightly explains how advertising or marketing communication work on the target audience through stimulation of the messages.

At the point when consumers are shelled with a plenty of stimulants from various sources, especially hedonic items, it evokes a higher level of positive feelings than utilitarian items (Shiv and Fedorikhin, 1999) and positive feelings prompt positive reactions towards cause-related items (Kim and Johnson, 2013). As specified, when confronting decisions, customers may likewise feel remorseful, given the difficulty in advocating the purchasing choice (Winterich and Barone, 2011). Disgrace and blame are unsavory and negative exciting reactions that may, thus, act as an excuse for unselfish conduct as a kind of remuneration component (Allen et al., 1992; Rosenhan et al., 1981). Research exhibited that advertising offers may influence target customer's attitudes towards the advertisements (Liu et al., 2009; Hornik and Miniero, 2010) and brand attitude (Wang et al., 2000; Kim and Lee, 2012). In any case, it is obvious

that there is numerous research showing the interconnections among various sorts of advertising appeals, attitude toward advertising, and brand attitude in an integrated model.

Researcher select Indomie as the object of the study. The researcher assumes Indomie had a strong brand equity in perspective of Indonesian customers, particularly university students considering the cost that makes Indomie instant noodle categorized as low involvement product. This assumption also supported with data published by Nielsen Indonesia in 2017 that composing most advertising spender in Indonesia. Indomie instant noodle with Rp765.2 Billion investment on advertising stands in the third position, following by Vivo GSM and Samsung.

Considering the data above, led the researcher to construct a set of hypothesis that with the huge amount of investment on advertising, it does give positive impact in the brand equity of Indomie. Moreover, the research also projecting to reveal the most significant variable in the brand equity referring to Brand Equity Model by David Aaker in 1991 that affected by advertising. The variables are perceived quality, brand awareness, brand associations, and brand loyalty. The findings will enrich insights to the brands and advertisers to formulate effective advertising to give maximum impact on enhancing brand equity.

1.2. Problem Formulation

1. Does advertising spending affect perceived quality?
2. Does advertising spending affect brand awareness?
3. Does advertising spending affect brand associations?
4. Do attitudes toward advertisements affect perceived quality?
5. Do attitudes toward advertisements affect brand awareness?
6. Do attitudes toward advertisements affect brand associations?
7. Does brand awareness give impact to perceived quality and brand associations?
8. Do perceived quality and brand associations affect brand loyalty?
9. Does advertising give positive impact to the brand equity creation?

1.3. Research Objective

From the problem formulation above, it can be classified that, the objectives of this research are:

1. To clarify whether advertising spending relates to perceived quality
2. To clarify whether advertising spending relates to brand awareness
3. To describe whether advertising spending affect brand associations
4. To describe whether attitudes toward advertisements affect perceived quality
5. To describe whether attitudes toward advertisements affect brand awareness

6. To describe whether attitudes toward advertisements affect brand associations
7. To investigate on how brand awareness, give impact to perceived quality and brand associations
8. To investigate on how perceived quality and brand associations give impact to brand loyalty
9. To know the correlation of advertising in brand equity creations, identifying the most affected variable influenced by advertising in brand equity creations.

1.4. Benefit of Research

1.4.1. Theoretical Benefits

This examination is a process to a full comprehension in advertising and marketing communication advancements to brand equity creation. In spite of the limitation, the findings that revealed in this paper will offer new perspective to be considered into how to maximize the brand equity enhancement by utilizing advertisements.

1.4.2. Practical Benefits

The research will show how the correlation of capital invested by the advertisers also how the target audience reacts within the advertisement. In this case, the researcher select Indomie as the object of the research and university student from

Yogyakarta as the target audience. The result will be beneficial for brands and advertisers to considers the capital that invested on the advertisement and give some insight about how it affect the brand equity creation of the product or services.