EXAMINING THE ROLE OF ADVERTISING IN BRAND EQUITY CREATION: INDOMIE INSTANT NOODLE

"Among Perspective of University Students In Yogyakarta"

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ABSTRACT

Advertising is one of marketing communication components that commonly used by organizations or other entities to build the desired brand equity. According to David Aaker concept of brand equity in 1991, it consists of 4 components which are perceived quality, brand awareness, brand associations, and brand loyalty. The objective of this research is to make business, organizations, and other entities more effective in making a decision on their advertising investment. The researcher tries to examining the correlation between how Indomie instant noodle conducted advertisement and how the consumers react and perceived the perspective on Indomie instant noodle brand equity components. The data was obtained by distributing online questionnaire to 300 university student in Yogyakarta. The data processed with Structural Equation Modeling method by using AMOS and SPSS as the software. The empirical result show that advertising had a positive impact to the brand equity creation.

Keyword: *Advertising, Brand equity, Brand loyalty,Advertising spending, Attitude toward advertising*

ABSTRAK

Iklan adalah satu dari beberapa komponen pada komunikasi pemasaran yang sering kali digunakan oleh organisasi atau kesatuan lain demi membangun ekuitas merek yang di inginkan. Mengacu pada konsep dari ekuitas merek oleh David Aaker pada tahun 1991, ekuitas merek terdiri dari empat komponen yang mana adalah; kualitas yang dirasakan, kesadaran merek, asosiasi merek, dan kesetiaan merek. Tujuan dari dilakukannya penelitian ini adalah demi meningkatkan tingkat efektifitas dari keputusan perusahaan dalam melakukan investasi pada iklan. Peneliti mencoba untuk mengkaji hubungan dari iklan yang telah diluncurkan oleh Indomie dan dampaknya terhadap ekuitas merek Indomie dari sudut pandang para konsumen. Data diperoleh dengan menyebarkan kuesioner secara online kepada 300 Mahasiswa yang berdomisili di Yogyakarta. Perolehan data diolah menggunakan metode Model Persamaan Struktural dengan AMOS dan SPSS sebagai perangkat lunak pendukung. Bukti empiris menunjukan bahwa iklan memberikan pengaruh positif terhadap ekuitas merek.

Kata kunci: *Iklan, Ekuitas merek, Kesetiaan merek, Pengeluaran iklan, Perilaku terhadap iklan*

1. Introduction

The desire of firms and organizations to formulates a competitive advantage were pretty obvious. In this attempt, branding frequently assumes as a critical part. 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).

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). 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.

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. 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.

2. Literature Review
a) Advertising spending

Advertising spending is the cost caused by issuing a certain advertisement. Spending on advertising to develop brand awareness and improves brand loyalty (Nguyen, Barrett and Mill operator, 2011, Clark, Doraszelski, and Draganska, 2009). Aduloju, Odugbesan, and Oke (2009) are of the supposition this advertising spending should be completely integrated into the communication of marketing mix in order to get the best outcomes from it. A decent strategy for advertising should decide the most proper media mix and distinguish the most appropriate path expected to successfully deliver the message wanted by the organizations. This should be a proper budget that is adequate to carry out the occupation (Rotfeld, 2007). Tai (2007) is the viewpoint that organizations having a low market of the market share should develop their advertising spending plan so as to help their competitive advantage and awareness of their product or services endeavors. These endeavors will at last help in extending the market share of the industry.

H-1a: Consumers' perceptions of a brand's advertising spending have a positive influence on perceived quality

H-1b: Consumers' perceptions of a brand's advertising spending have a positive influence on brand awareness

H-1c: Consumers' perceptions of a brand's advertising spending have a positive influence on brand associations

b) Attitudes toward advertisements

Attitudes toward advertising are induced more by advertisements (Mehta, 2000). In a comparable vein, we anticipate that people who hold a dominatingly positive perspective of advertising are more promptly influenced by the "advertising esteems" than participants with a predominantly negative view.

There are distinctive effects behind foreseeing that attitude toward advertising may affect the extent of the primping impacts of advertising on value-driven behavior. In this study, we conduct attitudes toward advertisements as an indicator to measure whether the advertisement by certain business or entity are considered as how the advertiser desired the target audience to response. How people behave and decide to buy a product or services are affected by some factors. Advertising is considered as one of key factors in the creations of values, beliefs, and behaviors of a certain target audience (Usman et al., 2010).

Several studies also found that the advertisements show how the product or services position themselves in the market, when comparing strength and substitution positioning strategies of certain brand, it is strongly considered that benefit positioning is the most superior positioning strategy (Schiffman and Kanuk, 2007; Wind, 1982).

H-2a: Individuals' attitudes toward the advertisements undertaken for a brand have a positive influence on perceived quality

H-2b: Individuals' attitudes toward the advertisements undertaken for a brand have a positive influence on brand awareness

H-2c: Individuals' attitudes toward the advertisements undertaken for a brand have a positive influence on brand associations

c) Brand awareness

Brand awareness defined as "the strength of a brand's presence in the consumer's mind" (Aaker, 1996, p. 10). Brand awareness are about the recognize level of certain brand in consumer perspective. However, it assumes that a product that has high level of brand awareness is reflect with the consumer perceived quality of the product. Because, in order to have high level of brand awareness in consumer mind, the product should have a certain characteristic such as number one, initiator in the market, or any other reason that caused the product have high awareness.

Contribution of this study is to empirically compare the impacts of perceived quality, brand awareness, advertising attitudes and store image on brand loyalty in Thailand and Vietnam.

The result shows that manager of international brands in emerging market should recognize the differences between markets in order to design effective loyalty program each market.

H-3: Brand awareness has a positive influence on perceived quality.
H-4: Brand awareness has a positive influence on brand associations.

d) Perceived quality

As indicated by (Zeithmal, 1988) defined that perceived quality as customer's supposition in subjective recognition about the quality and amazingness of a product or services. (Parasuraman, et al., 1985) in the other hand expressed that perceived quality as an attitude of customers, in view of the relative consequences of purchasing and real execution of a product or services. This perception is the pre-experience of quality (Hamer, 2006). Bahia and Nantel (2011) recognize that all sort of business or entity look-up for quality, regardless of their form of the business. Perceive quality As stated by Kotler (1997, p. 185) that "there is not only physical stimuli that affects, but also the circumstances or surrounding condition within the individual." Durianto (2001) perceived quality considered as perception of a whole quality of product or services that desired by the customers.

H-5: Perceived quality has a positive influence on brand loyalty.

e) Brand associations

Brand associations are a relation among a certain brand, product with the consumer. Brand associations are anything that consumers connect to the brand in their memory (Aaker, 1991). Brand associations also considered as anything deep seated in consumer mind that giving some action, impact, similarity to the brand with their personality (Dreyer, 2012). Simply, brand association is how the consumer think that brand is fit with them. Either with their interest, mindset and their behavior.

Brand associations has some attributes that delivered to the market. In this case is advertisement spent, in order to delivering the attributes of the

brands to the consumer, a company or other entity need to communicate with them, normally through the marketing communication tools such as Advertising, Public Relations, sponsorship, event or any other methods (Slabbert, 2012). Bauer et al. (2005) even found a correlation of attitudinal loyalty on behavioral loyalty that give highly significant impact.

***H-6: Brand associations have a positive influence on brand loyalty.***

f) Brand loyalty

Refer to Oliver (1999) characterizes brand loyalty as a strong point to repurchase a specific item/benefit in certain period time. This rehash purchase intention is not influenced by any significant factor. An examination (Jensen and Hansen, 2006) reasons that loyal customers don't get influenced by the offer of rival product or services. They will probably spread positive informal word-of-mouth regarding a brand to their colleagues and relative. These are the customers walk into the outlet to repurchase the brand when needed. Ha (1998) is of the view that in order to know that whether or not we are dealing with a loyal customer, the attitude causing the purchase decision must be investigated. Advertiser working in multi-social environments have got hold of brand loyalty by modifying the image of a brand to fit the individual cultures (Palumbo and Herbig, 2000). Contrary to this, Oh and Fiorito (2002) are view that brand loyalty is not related to the demographic factors. The repeat purchase behavior of the customers can be improved by increasing customer's relative attitude towards a particular brand. Attitude building marketing strategies can help marketers in this regards (Jensen and Hansen, 2006).

H-5: Perceived quality has a positive influence on brand loyalty.
H-6: Brand associations has a positive influence on brand loyalty.

g) Conceptual Framework of the Study
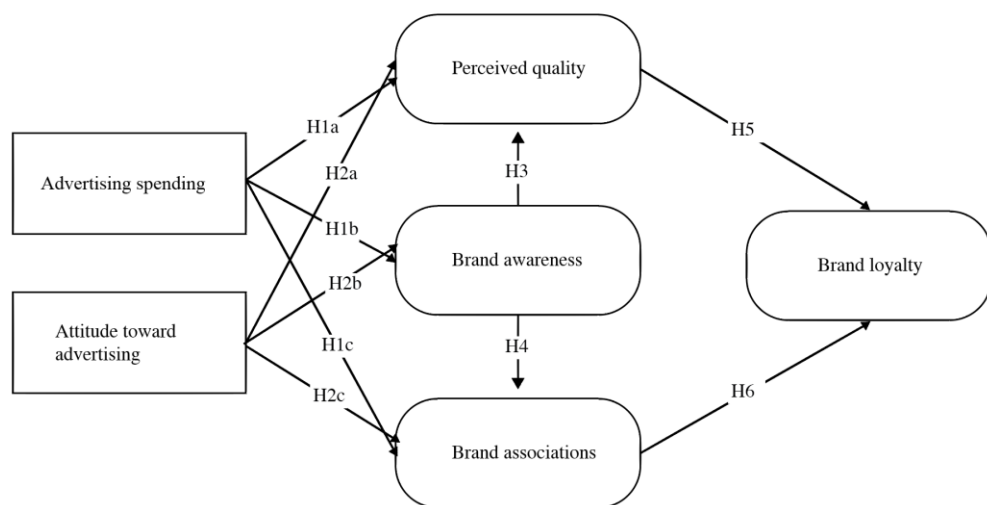
The conceptual framework provides a foundation for research study. The framework consists of 2 independent variables which are Advertising spending and Attitudes toward advertisements, 3 mediating variables which are Perceived quality, Brand awareness, and Brand associations and 1 dependent variable which is Brand loyalty.

3. Research Methodology

Research Location

The location of this research is in Yogyakarta without any specific area. The reason why the researcher decides to do research here is because it will be more effective for the researcher that currently a student in Faculty of Economics, Universitas Islam Indonesia and also originally from Yogyakarta. The city also known as the city of student whereas proper to get university student respondents.

Populations and Sample Research

Population is known as a certain group or collection of individuals or object under the study. The sample is collection of several part that has identical characteristic with the population that taken for study. In this study population are the university student in Yogyakarta that had an experience in consuming Indomie and ever watch Indomie advertisements. To minimize the biases, minimum 200 samples are required on every estimated SEM (Loehlin, 1997). The respondents consists of male and female student, numbering 300 samples.

Types and Data Collection Techniques

The data that used in this research is primary data. Primary data is data that obtained by direct observation by using specific research methodology. In this research, the data obtained through questionnaire which was randomly distributed online to university student in Yogyakarta.

The type of the questionnaire is closed question, which means that the option of the answer is already given.

Analysis Technique

Whereas the analytical tools was proposing to process the data to prove reliability and validity. The researcher's used SPSS. In the other hand, for the hypothesis testing this study used analysis of structural equation modeling or known as (SEM), and AMOS for the software. SEM analysis is methods that allows analyzing the influence of some other variable concurrently (Ghozali, 2008).

4. Analysis and Discussion

This chapter elaborate and discuss the result of data that the writer's has analyze regarding "Examining The Role Of Advertising In Brand Equity Creation: Indomie Instant Noodle Among Perspective of University Students In Yogyakarta". The discussion start by showing the result of quantitative data that already collected through questionnaire and proceed by several statistic software. The analysis is covering the goodness of fit index, Structural Equation Modeling or known as SEM, and hypothesis testing.

After the questionnaires are distributed, the researcher does filtering the data in order to separate the outlier and invalid response. It resulted of 300 respondents in total. All received data are attached in the appendix and data recapitulation chapter.

Gender

Female respondents shows a higher percentage than male respondents. However, it did not means that female respondents are more aware of Indomie advertisements rather than male. 140 Male and 160 Female. The gender classifications show that the study result would have a slight tendency to the female response because the gap between male and female respondents is 6,6% or 20 respondent.

Age

The respondents that came from less than 20 years old were represent 12,7% of the respondents, and the rest are represented by those who 20-35 years old. It is because the study was focused on the university student in Yogyakarta that makes the age distribution were not significant. The result concludes that the study would only discuss the perspective of respondents who are less than 20 to 35 years old.

Occupation

As discussed earlier in the previous chapter, the focus of the study was university students in Yogyakarta. The data shows that all of the respondents are active student/university students. It is mean that the respondents are accurate from what the writer has planned to observe.

Income

The respondents had differences in terms of income/allowance, even though that the difference were not significant. Most of the students receive Rp1,000,001 – Rp3,000,000 every month, it represented by 48,3% while the other significant percentage is 45,3% that receive Rp0 – Rp1,000,000 every month. It means that 93,6% of our respondents receive no more that Rp3,000,000 each month. Those who earn more were only the slight of the respondents, that representing 6,4% of the data.

Validity and Reliability Test Result

Validity is the degree of appropriation of some point or indicators in order to measure a construction, or it is mean that validity is made sure that the items really representing what should be represented (Anderson and Gerbing, 1998). It is an obligation for the researcher to conduct validity test to make sure the unidimensionality of the constructed indicators that involve in the study before conducting the reliability test.

Researcher testing the observed variable by the approach of convergent validity. Convergent validity may be seen from the measurement model by deciding whether each estimated indicators correctly measured the dimension from the tested concept. Indicators that showing the significant convergent validity if the coefficient variable of the indicator were greater than twice of the standard error (Anderson and Gerbing, 1988) or contain twice greater critical ratio from the standard error square (Ferdinand 2002). AMOS version 24 facilitate the measurement of the convergent validity by observing the critical value or t-value of each indicator. The criteria if indicators t-value ≥ 1,96 means that the indicators is significant in the level of α = 0,05 (Holmes-Smith, 2001).

Joreskog and Sorbom (1996) also stated that if the index of GFI ≥ 0,90 it shows that the indicators measured were valid and categorizes as unidimensionality of the tested construct, with the result that the construct was appropriate to test the hypothesis in the study.

Reliability is the measurement of internal consistency for the indicators in a certain construct that showing the degree of each indicator to indicate the general construction, or simply a consistency level and stability of the instrument (Ferdinand, 2002). In SEM there are some statistical tools in context to measure the reliability of constructs which are construct reliability and variance extracted.

In this study, the reliability constructs tested with the approach of construct reliability by calculating the instrument reliability index that used by the analyzed SEM model. The construct reliability obtained from the formula by Fornell and Laker's (1981) as seen below:

$$\text{Construct Reliability} = \frac{(\Sigma \lambda_i)^2}{(\Sigma \lambda_i)^2 + \Sigma \varepsilon_i}$$

λ_i = Standard loading of each indicators (observed variable)

ε_i = The degree of error of each indicators (1 – indicators reliability).

The result of validity and reliability test could be seen on Table 4.8 in the next page:

Table 4.9
Validity and Reliability Test of The Study

Indicator	λ_1	ε_1	Status	Construct Reliability	Status
Advertising Spending					
AS1	0,785	0,069	Valid		Valid
AS2	0,546	0,066	Valid	0,921	Valid
AS3	0,882	0,054	Valid		Valid
Attitude Toward Advertising					
ATA1	0,740	0,057	Valid	0,914	Valid
ATA2	0,635	0,072	Valid		Valid
Perceived Quality					
PQ1	0,853	0,035	Valid		Valid
PQ2	0,793	0,037	Valid	0,956	Valid
PQ3	0,938	0,025	Valid		Valid
PQ4	0,705	0,056	Valid		Valid
Brand Awareness					
BAW1	0,815	0,043	Valid	0,954	Valid
BAW2	0,869	0,038	Valid		Valid
Brand Associations					
BAS1	0,653	0,060	Valid		Valid
BAS2	0,752	0,071	Valid	0,910	Valid
BAS3	0,681	0,076	Valid		Valid
Brand Loyalty					
BL1	0,781	0,101	Valid	0,865	Valid
BL2	0,679	0,127	Valid		Valid

Source: Processed Primary Data, 2018

Refer to Table 4.8 it shows that the probability statistic was> 0,50, therefore, all the indicators in the questionnaire in the variable Advertising Spending, Attitude Toward Advertising, Perceived Quality, Brand Awareness, Brand Associations, and Brand Loyalty < Level of Significant = 0,05 or above the average of 0,113 from the rtable are considered as valid. Considering that Construct Reliability coefficient > 0,60, therefore, all the questions or indicators in the questionnaire in variable Advertising Spending, Attitude Toward Advertising, Perceived Quality, Brand Awareness, and Brand Loyalty are reliable.

Result of Structural Equation Modeling (SEM)

Hypothesis	Regression Weight	Regression Coefficient	Standard Error	t-value	Probability	Status
H1a	AS-PQ	0,259	0,082	3,172	0,002	Significant
H1b	AS-BAW	0,380	0,079	4,835	0,000	Significant
H1c	AS-BAS	0,149	0,055	2,725	0,006	Significant
H2a	ATA-PQ	0,313	0,109	2,869	0,004	Significant
H2b	ATA-BAW	0,416	0,105	3,952	0,000	Significant
H2c	ATA-BAS	0,230	0,075	3,068	0,002	Significant
H3	BAW-PQ	0,486	0,088	5,538	0,000	Significant
H4	BAW-BAS	0,395	0,066	6,009	0,000	Significant
H5	PQ-BL	0,485	0,082	5,880	0,000	Significant
H6	BAS-BL	0,783	0,150	5,212	0,000	Significant

Source: Processed Primary Data, Structural Equation Modeling (SEM), 2018

According to the calculation of the analysis and statistical program AMOS 24 it obtained a score of probability between Advertising Spending toward Perceived Quality, Advertising Spending toward Brand Awareness, Advertising Spending toward Brand Associations, Attitude Toward Advertising toward Perceived Quality, Attitude Toward Advertising toward Brand Awareness, Attitude Toward Advertising toward Brand Associations, Brand Awareness toward Perceived Quality, Brand Awareness toward Brand Associations, Perceived Quality toward Brand Loyalty, and Brand Associations toward Brand Loyalty is < Level of Significant = 0,05, therefore all the variables have positive impact.

Discussion

The result of the analysis shows that the score of probability = 0,002 < Level of Significant = 0,05, therefore it can be conclude that there is a positive impact on Advertising Spending and Perceived Quality. This result means that how a certain brand spends on their advertising would affect the consumer perception on the perceived quality of the product or services that offer by the brand. In this study, means that Indomie already spent a proper amount of capital

in their advertising in order to improve the perceived quality of their product. Align with the study that conducted by (Buil, et al, 2013) advertising spending has slight impact on the perceived quality even the enhancement was not significant. Consistent with the previous study, consumers seem to be forming their quality perceptions through the different mechanism for durable goods and non-durable, consumers may acquire more objective information about durables before purchase because of the greater commitment and financial outlay that involve in the brand itself (Moorthy, and Zhao, 2000). It reflects that how the brand invest on their advertisement seems to give positive impact to consumer perceived quality of the product or services.

The result of the analysis shows that the score of probability = 0,000 < Level of Significant = 0,05, therefore it can be concluded that there is a positive impact between Advertising Spending and Brand Awareness. This result means that how certain brand spends on their advertising would affect the consumer awareness of the brand. The previous study also reveals that perceived advertising spending has a positive impact on brand awareness, even though that advertising investment seems do not necessarily enhance perceived quality and brand associations (Buil, et al., 2013). For a brand that at the top of the market should formulating a larger communications strategy in order to create brand awareness (Human, et al., 2011) and to formulating a larger communication strategy in order enhance the advertising awareness, surely a brand need to invest more on their advertising.

The result of the analysis shows that the score of probability = 0,006 < Level of Significant = 0,05, therefore it can be concluded that there is a positive impact on Advertising Spending and Brand Associations. This result means that how certain brand spends on their advertising would affect the consumer associations of the brand. Gwinner and Eaton (1999) agree that the brand image is brand associations in the memory of the consumers to concerning the brand, it might be the similarity of them to the brand or how familiar some brand in the perspective of the consumers. The writers suspect that brand associations are a slightly above the awareness, which brand associations reflect that the consumers already know well the brand and make them repeat to utilize the product or services of the brand. In the study that conducted by Buil, et al (2013) the investment on the advertising is not sufficient to positively influence the brand associations, however, the research is conducted in different product category also different demography with this study. There is many factors that influence the behavior of the consumers to act toward the advertisement (Keller, 2003).

The result of the analysis shows that the score of probability = 0,004 < Level of Significant = 0,05, therefore it can be concluded that there is a positive impact between Attitude Toward Advertising and Perceived Quality. This result means that how certain brand executes their advertising would affect the consumer perception of the quality of the product or services offers by the brand. Farris and Albion (1980) stated that persuasive advertising affects the consumer preferences, tastes, changes product attributes and differentiates the product or services toward the competitors. This study also reveals that there is a correlation between how the advertising delivers its messages regarding the consumer

perception of the quality, proven by the t-value of 2,725. Thus, it is important for the business or entity to develop well their advertisement to be able to represent its product quality.

The result of the analysis shows that the score of probability = 0,000 < Level of Significant = 0,05, therefore it can be concluded that there is a positive impact between Attitude Toward Advertising and Brand Awareness. This result means that how certain brand executes their advertising would affect the consumer awareness of the brand. This also in line with the statement of Farris and Albion (1980) in their study that "We propose that persuasive advertising is more likely to encourage consumers to ask their doctors about an advertised drug than reminder and informational advertising", means that the customers likely to seek another information about the product that they see in the advertisement, it is good for the business that the customers already aware of their product or services and probably will become their loyal customers. The correlation between attitude toward advertising and brand awareness also gives most significant impact compared with the other correlation to brand equity dimension, with t-value of 3,952.

The result of the analysis shows that the score of probability = 0,002 < Level of Significant = 0,05, therefore it can be conclude that there is a positive impact between Attitude Toward Advertising and Brand Associations. This result means that how certain brand executes their advertising would affect the consumer associations on the brand. Consistently, how the brand communicates with the customers may be the key factor to increase brand equity. Thus, as the study conducted, individuals' attitudes toward advertisements give significant impact to influencing perceived quality, brand awareness, and brand associations (Buil, et al., 2013).

The result of the analysis shows that the score of probability = 0,000 < Level of Significant = 0,05, therefore it can be conclude that there is a positive impact between Brand Awareness and Perceived Quality. This result means that how the degree of consumers awareness of certain brands will reflect their perspective on the quality of the product or services that offers by the brand. Customers are occasionally unsure about the quality of the product or services, and therefore perceive their decisions as risky. According to the theory of information economics, brand awareness may decrease buyer perceived risk because it can reduce buyer information costs (Erdem and Swait 1998). More specifically, brand awareness role as a significant signal of outstanding good reputation of certain brand product or services (Hoyer and Brown 1990). Thus, purchasing high-awareness brands is considered with reducing the risk for the consumers.

The result of the analysis shows that the score of probability = 0,000 < Level of Significant = 0,05, therefore it can be conclude that there is a positive impact between Brand Awareness and Brand Associations. This result means that how the degree of consumers awareness of certain brands will reflect their perspective of how the brands might be familiar with them. It seems that consumers tend to buy a brand that associated with high awareness levels such the brand that has strong brand equity. In the other hand, brand awareness affects

customer purchase process through the strength of its associations to the brand (Keller 1993; Erdem and Swait 1998). Improving brand awareness may increase the degree of its brand association (Aaker 1996). Besides, brand awareness will positively influence the perceived value of the brand. Consumers often prefer to buy brands that they already familiar and well-known(Aaker 1996).

The result of the analysis shows that the score of probability = 0,000 < Level of Significant = 0,05, therefore it can be conclude that there is a positive impact between Perceived Quality and Brand Loyalty. This result means that how the product quality are developed will gives impact to their loyalty of a certain brand. Perceived quality is considered to be one of the contributing factors of brand loyalty. Khan, Zain-ul-Aabdean, Nadeem and Rizwan (2016) investigated the impact of perceived quality on brand loyalty and the correlation analysis results showed that perceived quality is considered as highly correlated with brand loyalty and have a and significant relationship. It means that an increase or decrease in perceived quality will give an impact on brand loyalty (Khan, Zain-ul-Aabdean, Nadeem & Rizwan 2016). Reich, McCleary, Tepanon, & Weaver, (2006) investigated in their study that the product or service quality affect brand loyalty. Their results showed that quick-service restaurants in Nigeria need to be more concerned with product quality especially in taste, freshness, and temperature, and focus on the overall service quality to build brand loyalty. In line with the previous study, the study that conducted in this research also reveals that the perceived quality of Indomie has a highly significant impact on the brand loyalty, considering the t-value of 5,880.

The result of the analysis shows that the score of probability = 0,000 < Level of Significant = 0,05, therefore it can be concluded that there is a positive impact between Brand Associations and Brand Loyalty. This result means that how familiar them with the brand will gives impact to their loyalty of a certain brand. According to Atilgan, Aksoy, and Akinci (2005) a strong brand association creates higher loyalty. In the previous study conducted by Azadi, Esfahani and Mohammadpoori (2015) investigated the correlations between the brand association and brand loyalty in the customers of private clubs in Iran. The result has shown that there was a significant relationship between brand association and brand loyalty in the customers of the private club. Moreover, a study done by Atilgan, Aksoy, and Akinci (2005) revealed that if customers have more positive association with the brand, they would be loyal to the brand and vice versa. It is in line with the study that conducted by the writer, that the correlation between brand associations and brand loyalty were the most significant correlation in compare to the other. Brand association which lay on some aspects such the familiarity of the customers with the product or services, the reflection of the customers on the brand itself, it will highly influence them to become loyal to the brand.

5. Conclusion and Suggestion

Conclusion

Compared with the previous study and considering the background of the research, the researcher sums up into several points. All the hypothesis are

supported, led the researcher to conclude that advertising has proven to give positive impact to the creation of brand equity. Besides, comparing the findings that already occur, brand awareness give the most significant value that affected by advertising, in comparison of other three variables in David Aaker Brand Equity Model which are perceived quality, and brand associations. In contrast, brand association is the most insignificance variables that affected by advertising. However, the value is still considering as positive. This findings hopefully will give insights to marketing enthusiast, particularly brands and advertising practitioner to generate effective advertising for their product or services, specifically in low involvement category.

Suggestion

Firstly, The result of brand equity dimension which are: perceived quality, brand awareness, brand associations, and brand loyalty. From those four variables, brand awareness is the most significant component that affected by the amount of advertising spending on brands. Therefore, it is important for the brand to focussing design advertisements that target a massive awareness, even the perceived quality and also brand associations are also should be considered. However, formulate advertising that focuses on the awareness are the most effective. Alongside with the advertising spending, the next variable which is the attitude toward advertising also give most significant impact in the brand awareness in the amount of 0,416 or 41,6% it means that creating advertising that focuses on the awareness is most effective for the brand.

Secondly, The researcher believes that there will be some update regarding brand equity in the future, this field was never settled and always be dynamical. It is important if there will be another study regarding this topic in the future, increasing the amount of the sample, improving the indicators, also add the observed variable would increase the future research accuracy and credibility.

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