# THE EFFECT OF BRAND EQUITY DIMENSION ON PURCHASE DECISION TOWARD OPPO SMARTPHONE IN BANDAR LAMPUNG

(Undergraduate Thesis)

### By Icha Mutiara Chandra



FACULTY OF ECONOMICS AND BUSINESS UNIVERSITY OF LAMPUNG BANDAR LAMPUNG 2020

#### **ABSTRACT**

THE EFFECT OF BRAND EQUITY DIMENSION ON PURCHASE DECISION TOWARD OPPO SMARTPHONE IN BANDAR LAMPUNG

Bv

ICHA MUTIARA CHANDRA

The increasing number of consumer demand for telecommunication tools cause

the various smartphone brands compete to make their products. A product with

strong brand equity will be able to develop a brand presence in competition with

long periods of time. Oppo is one brand of smartphone that attracted the attention

of society. This study focus on how Brand Equity Dimension affect purchase

decision toward Oppo Smartphone in Bandar Lampung.

Data were distributed to 100 respondents who using Oppo Smartphone in Bandar

Lampung. This research used purposive sampling techniques to get samples and the

Multiple Linear Regression analysis is being used to analyze the research. The finding

shows that brand equity dimension which are brand awareness, brand association,

brand quality and brand loyalty has positive effect on purchase decision.

Keywords: Brand Equity, Brand Association, Brand Awareness, Brand Quality,

Brand Loyalty, Purchase Decision

# THE EFFECT OF BRAND EQUITY DIMENSION ON PURCHASE DECISION TOWARD OPPO SMARTPHONE IN BANDAR LAMPUNG

## By **Icha Mutiara Chandra**

**Undergraduate Thesis** 

### As One of Requirements to Achieve **BACHELOR OF MANAGEMENT**

In

Management Department
Faculty of Economics and Business University of Lampung



FACULTY OF ECONOMICS AND BUSINESS UNIVERSITY OF LAMPUNG BANDAR LAMPUNG 2020 Judul Skripsi

: THE EFFECT OF BRAND EQUITY

**DIMENSION ON PURCHASE DECISION** 

TOWARD OPPO SMARTPHONE IN

**BANDAR LAMPUNG** 

Nama Mahasiswa

: Icha Mutiara Chandra

Nomor Pokok Mahasiswa

: 1511011075

Program Studi

: S1 Manajemen Pemasaran

Jurusan

: Manajemen

**Fakultas** 

: Ekonomi dan Bisnis

MENYETUJUI

1. Komisi Pembimbing

Dr. Dorothy Rouly Haratua Pandjaitan, S.E., M.Si.

NIP. 19810126 200801 2 001

Faila Shofa, S.E., M.S.M NIP. 19780222 200912 2 001

2. Ketua Jurusan Manajemen

Aripin Ahmad, S.E., M.Si.

#### MENGESAHKAN

1. Tim Penguji

Ketua : Dr. Dorothy Rouly Haratua Pandjaitan, S.E., M.Si.

Sekretaris: Faila Shofa, S.E., M.S.M.

Penguji : **Dr. Mah<mark>rinasari, S.E., M.Sc.</mark>** 

2 Dekan Fakultas Ekonomi dan Bisnis

Dr. Nairobi, S.E., M.Si. NIP 19660621 199003 1 003

Tanggal Lulus Ujian Skripsi : 29 Januari 2020

#### STATEMENT OF ORIGINALITY

I, The undersigned below:

Name : Icha Mutiara Chandra

Student ID : 1511011075

Faculty : Economic and Business

Major : Management

Thesis Title : "The Effect of Brand Equity Dimenson on Purchase Decision

Toward Oppo Smartphone in Bandar Lampung"

#### Hereby declare that:

1. The results of research / thesis and information / data sources are correct and are the results of their own work and have not been submitted in any form to any university. All sources of data and information originating from citations from written and unpublished writings from other authors have been mentioned in the text and are included in the references at the end of this research / thesis results.

2. Submitting the full results of my research in the form of hard copy and soft copy of the thesis to be published to print media or electronics media to the Management Department of Faculty of Economic and Business, University of Lampung.

3. Will not sue / request compensation in any form for everything that is done by the Department of Economic and Business, University of Lampung on the results of this research / thesis.

4. If it turns out in the future the author of this thesis is the results of plagiarism or plagiarism of other people's writings, then I am willing to accept sanctions based on the rules that apply at the University of Lampung.

Thus, I made this statement in truth, to be used properly.

A07AHF298148024

Bandar Lampung, 24 January 2020 The Researcher,

Icha Mutiara Chandra

1511011075

#### **BIOGRAPHY**

The researcher was born in Bandar Lampung, on August 23<sup>rd</sup>, 1996, as the forth child of four siblings of Mr. Chandra Malenda Ibrahim and Mrs. Inge Maureen Catiwan. Researcher initial academic education started on TK Fransiskus 2 Bandar Lampung which was completed in 2002, elementary school (SD) was completed at SD Fransiskus 2 Bandar Lampung in 2008, then continued to junior high school SMP Xaverius 2 Bandar Lampung in 2011. The researcher completed Senior High School (SMA) in SMAN 10 Bandar Lampung in 2014.

The researcher continued her education to the college by registered as a student of Faculty of Economics and Business Lampung University in 2015 through the SBMPTN selection, majoring in marketing management and took international class.

#### **MOTTO**

# رَبُّنَا وَلَا تُحَكِّمُلْنَا مَا لَاطَاقَةَ لَنَا بِهِ ٢٠

"Our Lord, and burden us not with that which we have no ability to bear."

- Q.S Al-Baqarah: 286

"Be like a flower that gives its fragrance even to the hand that crushed it"

- Ali Bin Abi Talib

"Be ready when opportunity comes...

Luck is when preparation and opportunity meet"

- Roy D. Chapin Jr.

#### **DEDICATIONS**

#### Bismillahirrahmaanirrahiim

Alhamdulillah, praise and gratitude toward Allah SWT, shalawat and salaam to the prophet Muhammad SAW, thus this undergraduate thesis can be completed.

This undergraduate thesis is dedicated to the most important people in my life:

My beloved parents, Mr. Chandra Malenda Ibrahim and Mrs. Inge Maureen Catiwan. Thank you for attention, compassion, and sacrifices you have given. I am lucky and truly grateful being a daughter from amazing parents like you. I couldn't stand by myself until today without your love and prayers.

My beloved almamater, University of Lampung.

#### **ACKNOWLEDGEMENT**

#### Bismillahirrahmanirrahiim

In the name of Allah, all praise and gratitude the researchers offered to the presence of Allah SWT, because of the blessing of His mercy and guidance, thus the researcher can completed this undergraduate thesis, entitled "The Effect of Brand Equity Dimension on Purchase Decision Toward Oppo Smartphone in Bandar Lampung". This undergraduate thesis is one of the requirements to receive the Undergraduate Degree in Faculty of Economics and Business, University of Lampung.

During the process of preparing this undergraduate thesis, the researcher realized that this achievement would never have come into existence without any supports, encouragements, and assistance by several important people. Thus, the researcher would like to express gratitude to:

- Mr. Dr. Nairobi, S.E., M.Si., as the Dean of the Faculty of Economics and Business, University of Lampung.
- 2. Mr. Aripin Ahmad, S.E., M.M,. as Head of Management Department of Faculty of Economic and Business.
- 3. Mrs. Dr. Dorothy Rouly Haratua Pandjaitan, S.E., M.Si. as the Main Advisor, for the willingness to provide guidance, knowledge, time, criticism, suggestions and direction, during the completion of this undergraduate thesis.

- 4. Mrs. Faila Shofa, S.E., M.S.M. as Co-Advisor, for the willingness to provide guidance, knowledge, time, criticism, suggestions, and direction, during the completion of this undergraduate thesis.
- 5. Mrs. Dr. Mahrinasari, S.E., M.Sc. as the Primary Examiner who has given time, knowledge, criticism, suggestions, and direction in the completion of this undergraduate thesis.
- 6. Mr. Rinaldi Bursan, S.E., M.Si. and Mr. Dr. Mahatir Muhammad, S.E., M.M. as the Second and Third Examiner in proposal and result seminar, who has given time, knowledge, criticism, suggestions and direction in the completion of this undergraduate thesis.
- 7. Mr. Prakarsa Panji Negara, S.E., M.Si. as Academic Advisor, for his attention, motivation and guidance as long as the researcher goes through college life.
- All lecturers and academic staffs of Faculty of Economic and Business,
   Management Department, University of Lampung.
- 9. My dearest big family, who always be the support system for the researcher.
  Thank you for the endless prayers, motivation, and suggestions, so the researcher is able to finish this undergraduate thesis.
- 10. My beloved Team Wisuda Bareng: Rina, Rifka, Novia, Nasya and Cheko thank you for all wonderful memories that we have been through together along the lecture periods, thank you to realize me that this undergradute thesis is possible to be done. I believe that we will meet on top!
- Bilingual Management Class friends batch 2015, Mutiara, Karina, Astri,
   Monica, Cia, Silvia, and Inike. Thank you for completing my college life

that looks difficult and cruel to be enjoyable. I hope we will meet in the

future with all of the prosperity we have.

12. My best friend along this undergraduate thesis drama Rina Sahruni, thank

you for always be by my side. No words can describe how meaningful you

are. May happiness always arround you.

13. My childhood friends Onah, Yuki, Deska, thank you for all the time you

have spent to support me, thank you for all the moments we shared. I hope

happiness and all the prosperity always be with us.

14. Terbaya squad: Nadia, Eniwati, Ola, Erwin, Sapik, and Fadel. Thank you

for always support me where ever you are, also thank you for the great

time and unforgatable moments we had for 40 days.

15. My beloved best friend Mona, Vivian, Siti Rahmani, and Ferthi thank you

for encouraging me in the midst of your busy. Also thank you for always

be there whenever i need you guys. I love you and always be!

16. Friends of Management Class Batch 2015. Thank you for all the memories,

and experiences during the college life.

The researcher realized that the writing of this undergraduate thesis is still far

from perfect. Hopefully, this undergraduate thesis would give a positive

contribution for those who are interested to conduct the future research.

Bandar Lampung, 24 January 2020

The Researcher,

Icha Mutiara Chandra 1511011075

#### TABLE OF CONTENT

AB	STRACT	
I.	INTRODUCTION	
A	A. Background	1
В	3. Problem Formulation	12
C	C. Research Purpose	14
D	O. Research Benefit	14
<b>II.</b> 1	LITERATURE AND CONCEPTUAL FRAMEWORK	
A	A. Literature Review	16
	1. Brand Definition	16
	2. Brand Equity	18
	3. Purchase Decision	21
В	B. Research Acomplished	27
C	C. Conceptual Framework	27
D	D. Hypothesis	28
III.	. RESEARCH METHODOLOGY	
A	A. Research Design	30
В	3. Research Object	30
C	C. Data Sources	30
	1. Primary Data	30
	2. Secondary Data	31
D	D. Data Collection Methods	31
	1. Questinnaire	31
	2. Observation	32
Е	E. Research Population and Sampling	32
	1. Population	
	2. Sample	32

F.	Research Variable and Operasional Variable Definition	34
	1. Research Variable	34
	2. Operasional Variable	35
G.	Data Analysis Method	36
	1. Validity Test	36
	2. Reliability Test	37
	3. Multiple Linear Regression	37
H.	Hypothesis Testing	38
	1. t Test (Partial)	38
	2. Coefficient Determination Test (Adjusted R <sup>2</sup> )	38
IV. R	RESULT AND DISCUSSION	
A.	Descriptive Analysis and Qualitative	39
	1. Respondent Characteristics Analysis Result	39
B.	Data Analysis Method	43
	1. Pretest	43
	2. Validity Test	43
	3. Reliability Test	45
C.	Result of Questionnaire Distribution	46
D.	Result of Quantitative Analysis	53
	1. Multiple Linear Regression	54
E.	Hypothesis Testing	56
	1. t Test Result	56
	2. Test of Determination (R <sup>2</sup> )	58
F.	Discussion	59
<b>v.</b> (	CONCLUSION_AND RECOMMENDATION	
A.	Conclusion	63
B.	Suggestion	64

#### REFERENCES

#### LIST OF FIGURE

FIGURE	Page
1.1 Indonesian Top 5 Smartphone Companies	7
2.1 Buying Decision Process	22
2.2 Conceptual Framework	28

#### LIST OF TABLE

Table	Page
1.1 Types and and Price of Oppo Smartphone	2
1.2 Top Brand Award Smartphone in Indonesia	
1.3 Smartphone Market Share in Indonesia	6
1.4 Target and Realization Sales of Oppo Smartphone 2018	9
2.1 Research Accomplished	
3.1 Operasional Variable Definition	
4.1 Frequency Distribution of Respondents' Gender Research	
4.2 Frequency Distribution of Age Respondents	
4.3 Frequency Distribution of Respondents Occupation	
4.4 Frequency Distribution of Respondents Last Education	
4.5 Frequency Distribution of Periode Using Oppo	
4.6 Frequency Distribution of The Previous Smartphone is Oppo Smartpl	
4.7 Frequency Distribution of Oppo Smartphone Series Used	
4.8 Validity Value Variable Brand Equity	
4.9 Validity Value Variable Purchase Decision	
4.10 Reliability Test Research Variable	
4.11 Respondent' Response to Variable Brand Awareness (X1)	
4.12 Respondent' Response to Variable Brand Association (X2)	
4.13 Respondent'Response to Variable Brand Quality (X3)	
4.14 Respondent' Response to Variable Brand Awareness (X4)	
4.15 Respondent' Response to Variable Purchase Decision (Y)	
4.16 Result of Multiple Linear Regression Analysis Equation	
4.17 Result of t Test	
4.18 Result of determination Test	59

#### TABLE OF APPENDIX

Ap	pendix	Page
1.	Questionnaires	A-1
2.	Crosstab 100 Respondents	A-2
	Validity Test	
	Reliability Test	
	Linier Regression	
6.	Demographic Frequency Respondents	A-6
7.	The Answer Frequency of Respondents	A-7

#### I. INTRODUCTION

#### A. Background

Along with the development of era and the increasing advancement of technology, handphone be the most popularly solution used nowadays due to its use in an easy, effective, and efficient. One type of mobile's popular use today is a smartphone, which is a mobile smart with internet connectivity, development focus to features such as GPS and camera. A Smartphone is a virtual communication tool in two directions which allows each individual to interact with other individuals with only through the help of short messages, phone calls, as well as the most rapid development that time i.e. using the internet, smartphone is simply is a phone that serves such sophisticated electronic mail messages and other advanced features.

The demand of telecommunication tools cause the various smartphone manufacturer compete to make their products, so that it appears the various smartphone brands with their own excellence product such as Oppo, Xiaomi, Vivo, Iphone, Samsung, Lenovo, and others. Regarding the business competition environment is so tight, the advancement of technology, also the changes in needs and consumer demand is so high, the increasing number of manufacturers who are able to reach consumer demand towards smartphones, cause these companies innovate to issue their featured

product that offers interesting features and think about strategies that able to make them more than their competitors.

Oppo is one brand of smartphone that atracted the attention of society and a smartphone brand that most enthused by the society and also a rising star in Indonesian cellular market. The use of modern technology that offered by Oppo make communicating easier and faster, also can perform other activities such as using social networks like whatsapp, facebook, twitter, BBM, path, instagram, and others. In addition Oppo has simple, elegant design and reliable quality and has features that are up to date. Moreover, Oppo claim their product as a camera phone brand enjoyed by young people around the world, specializes in designing innovative mobile photography technology. Before venturing into the smartphone technology, Oppo initiated his career as Oppo Electronic Corp., namely electronic manufacturer founded in 2004 in Dongguang, Guandong, China licensed Americans. Electronic equipment that produced such as MP3 Player, Portable Media Player, LCD tv, e-book, and Dics Player. In 2008 the market did start Oppo Smartphone, first marketed in Indonesia in April 2014 (http://www.oppo.com/id/about-us/).

In accordance with OPPO's vision of "being a healthier and more sustainable company", they are always innovating through the technology and products they have, here is a list of OPPO Smartphone's products and prices:

**Table 1.1 Types And Price Of Oppo Smartphone** 

OPPO F SERIES						
NAME OF PRODUCTS	RELEASE DATE	PRICE				
Oppo F11	13 April 2019	Rp 3.349.000				
Oppo F11 Pro	12 March 2019	Rp 4.517.000				
Oppo F9	15 August 2018	Rp 2.099.000				
Oppo F7 Youth	31 May 2018	Rp 1.949.000				
Oppo F7	16 April 2018	Rp 1.949.000				
Oppo F5 Youth	29 November 2017	Rp 1.900.000				
Oppo F5	12 November 2017	Rp 1.530.000				
Oppo F3 FCB limited edition	7 August 2017	Rp 6.799.000				
Oppo F3	12 May 2017	Rp 1.800.000				
Oppo F3+	22 March 2017	Rp 2.100.000				
A SERIES						
Oppo A5s	26 March 2019	Rp 1.800.000				
Oppo A7	25 November 2018	Rp 2.245.000				
Oppo A3s	23 July 2018	Rp 1.579.000				
Oppo A3	30 May 2018	Rp 2.299.000				
OPPO FLAGSHIP						
Oppo Reno 10x Zoom	9 April 2019	Rp 10.538.508				
Oppo Reno	9 April 2019	Rp 7.832.639				
Oppo R17 Pro	3 January 2019	Rp 8.600.000				
Oppo Find X	17 July 2018	Rp 10.849.000				

Source: <a href="https://id.priceprice.com,2019">https://id.priceprice.com,2019</a>

As we can see in the table 1.1 above we can see that Oppo has a wide range of products with types and prices that correspond to a variety of market segmentation, we can also see that oppo continues to innovate with the products owned. This can indicate that Oppo is one of the smartphones that has a good brand equity elements because it persists and always innovates with its products. Through Oppo Flagship they bring out the type of smartphone with price and premium quality.

Oppo has a very rapid development potential even though the majority of consumers think that China's telecommunications equipment or smartphones are vulnerable to damage. However, Oppo continues to promote its products by conducting advertising through advertisements on electronic and printing media such as television, banners, posters, and billboards that are along the way and promotion through sponsorship activities at events such as sports and offer free vouchers that make consumers more interested in knowing the smartphone product. Because of their excellent sales strategy, Oppo successfully proves to be the Top Brand Award Indonesia which is on the second rank. Top Brand Award is using a survey methodology which is conducted three times a year and takes place in a total of 15 major cities in Indonesia. Top Brand Measurement or Top Brand Index resulted from the interview process is conducted face to face and uses a structured questionnaire designed specifically to be able to measure all three parameters of Top Brand:

- 1. Top of Mind or Mind Share: awareness (the first brand mentioned by respondents when the product category is mentioned).
- 2. Last Usage or market share: last used (the last brand used/consumed by respondents in one re-purchase cycle).
- 3. Future Intentions or commitment share: intention to re-purchase (the brand respondents intend to use or consume in the future)

Three parameters above have the same measurement with brand equity dimension, which top of mind or main share have the same measurement with brand awareness and brand association, last usage or market share and commitment share have the same measurement with brand loyalty. It is a satisfactory achievement because Oppo is relative new in the smartphone industry compared to Samsung the market leader. (www.topbrandaward.com).

**Table 1.2 Top Brand Award Smartphone In Indonesia** 

	2017		2018		2019 Phase 1	
Rank	BRANDS	TBI	BRANDS	TBI	BRANDS	TBI
1	Samsung	46.4%	Samsung	48,6%	Samsung	45,8%
2	Nokia	8.8%	Oppo	11,2%	Oppo	16,8%
3	Blackberry	8.0%	Xiaomi	5,5%	Xiaomi	14,3%
4	iPhone	5.1%	Lenovo	4,5%	Vivo	4,5%
5	smartfren	5.1%	Nokia	4,3%	Lenovo	3,7%

Source: <a href="www.topbrandaward.com/,2019">www.topbrandaward.com/,2019</a>.

Table 1.2 above shows that in year 2017 Oppo did not even occupy the top 5 position, but Oppo Smartphone became the TOP Brand Award year 2018 which ranked 2nd by contributing a percentage of 11.2% and shifting other brands such as Xiaomi, Lenovo, Nokia etc. Although Oppo has not been able to shift the position of Samsung that on the first ranks, but Oppo is still able to maintain its position as the 2nd year TOP Brand Award 2019 first phase with a percentage increased from the previous year of 16.8%. The datas prove that Oppo continues to strive to be the most liked brand of Indonesian smartphones.

As the era and technology grew more sophisticated, many smartphone brands began to emerge and develop existing products to follow the needs of custumors. Increasingly tight competition, demanding the management of Oppo companies to be more cautious in conducting marketing activities and implementing strategies. As we

can see in the table 1.2 year 2019 Xiaomi brand has a drastic increase from the year previously,in the previous year 2018, Xiaomi had only on the 3rd position with percentage of 5.5% and in 2019 Xiaomi still on the 3rd position in TOP Brand Award but the precentage increasing to 14.3% that almost shifted the position of Oppo in the 2nd place with a percentage not far different. This can be a threat to the position of Oppo in the following year if it does not make product upgrades and improve the strategies that have been applied to the market share of Oppo's smartphones in Indonesia is able to shift other brands. Here is the smartphone's market share data in Indonesia (units in million).

**Table 1.3 Smartphone Market Share in Indonesia (Units in million)** 

	2016		2017		2018		
No	Brands	Market Share	Brands	Market Share	Brands	Market Share	
1	Samsung	21,4%	Samsung	21,8%	Samsung	20,9%	
2	Apple	14,5%	Apple	14,6%	Apple	14,8%	
3	Huawei	9,4%	Huawei	10,5%	Huawei	14,6%	
4	Oppo	6,7%	Oppo	7,6%	Xiaomi	8,8%	
5	Vivo	5,2%	Xiaomi	6,3%	Oppo	8.1%	
6	Xiaomi	3,6%	Vivo	5,2%	Vivo	5,6%	
	Other	39,2%	Other	34,0%	Other	27,2%	

Source: https://www.statista.com/,2019.

The 1.3 table above shows that Oppo's smartphone market share has continued to increase over the last 3 years, in year 2016 Oppo smartphones occupy 4th place with a percentage of 6.7% and able to enhance the position occupied in year 2017 With a percentage of 7.6% increased from the previous year and continued to increase until the year 2018 with a percentage of 8.1%. But in year 2018 the position of Oppo is shifted by Xiaomi to be 4th position, so the position of Oppo decreases to 5th position. This indicates a problem with the market share of Oppo smartphones.

In the past, OPPO and vivo made strides in the local scene with their aggressive marketing campaigns and lucrative profit margins to their channel partners. This caused a disruption in the market, directly driving up the market share of midrange (US\$200<US\$400) smartphones as consumers who were seeking to upgrade their smartphones were enticed by these "loud" brands. In 2Q18, the average selling price (ASP) for OPPO and vivo phones were around US\$220 while Xiaomi was at US\$130. Aside from its value-for-money price points, Xiaomi's minimal marketing zeroes in on internet-centric campaigns such as regular flash sales through ecommerce partners, mobile gaming, and continuous support to its fanbase community, which in turn spreads the brand name through word of mouth and social media mentions. (https://www.idc.com/url.do)

Now, the position of Oppo Smartphone is very threatened with the existence of Xiaomi which is growing rapidly with a very good strategy.

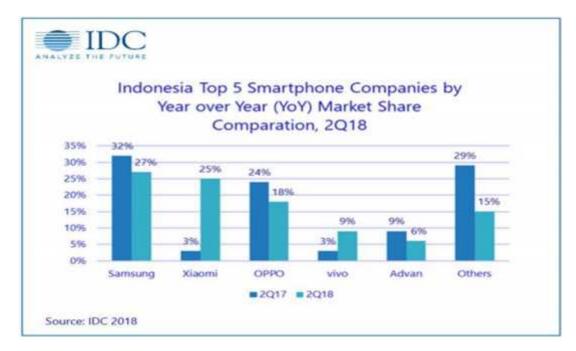


Figure 1.1 Indonesian Top 5 Smartphone Companies

Source: https://www.idc.com/, 2019

According to International Data Corporation's (IDC's) Quarterly Mobile Phone Tracker (Figure 1.1), smartphone shipments in Indonesia reached 9.4 million units in 2018, a growth of 22% quarter over quarter (QoQ) and 18% over the same period last year, marking the highest shipments ever recorded in Indonesia. While the top 5 companies continue to dominate the local smartphone market with more than 85% share, the new historical high was largely attributed to a surge in Xiaomi's shipments. The data shows that the growth of xiaomi increasing dramatically from 3% to 25% it means the increase is 22% in one year and become the second top brand in the 2018 by market share comparation. This figure also shows that Oppo smartphone has decrease from 24% in year 2017 to 18% in year 2018. So, the increasing of Xiaomi

is a big threat for Oppo Smartphone and this indicates the problem related with brand equity elements that Oppo Smartphone had.

Table 1.4 Target and Realization Sales of Oppo Smartphone 2018

		Sales Target		Sales Realization		Percentage of	
						Achievement	
No	Month	All Type	Produk	All Type	Produk	All	Produk
		(Unit)	Focus	(Unit)	Focus	Type	Focus
			(Unit)		(Unit)		
1.	January	2200	502	1606	346	73%	69%
2.	February	2253	493	1600	320	71%	65%
3.	Mach	2371	490	1660	328	70%	67%
4.	April	2442	690	2076	552	85%	80%
5.	May	3200	710	2784	590	87%	83%
6.	June	3310	730	2946	621	89%	85%
7.	July	2492	521	1744	401	70%	77%
8.	August	2356	492	1696	369	72%	75%
9.	September	2542	659	1906	527	75%	80%
10.	October	2632	595	2040	417	77,5%	70%
11.	November	3100	720	2511	540	80%	75%
12.	December	3435	750	2919	577	85%	77%
Average						77%	75%

Source: OPPO Smartphone area Street-Lampung City 2018

Table 1.4 shows the target and realization of sales of OPPO smartphone Area Street-Lampung City. Based on the table above the sales of OPPO smartphone in 2018 still fluctuated, from the table above is still not able to achieve a value that has been set overall target of 85% for type of all type and 80% for product type focus And the achieved target of 77% for the type of all type and 75% for product focus type so that the target has not been achieved and still not optimal yet.

According to Table 1.2 and table 1.3, you can see that Oppo smartphones need to have a current marketing strategy in order to maintain the position of the 2nd Top Brand Award and to maintain or even increase the market share that has been achieved so as not to turned to other products and became the market leader for the

next year. From the decline shown in Figure 1.1 and the sales fluctuations are still unstable and still not able to achieve the target optimally on the Oppo smartphones of Bandar Lampung shown in the table 1.4 indicate problems in elements of brand equity of Oppo Smartphone. Success in competition will be fulfilled when the company can create and retain customers (Tjiptono, 2006:32). The company's strategy to maintain and acquire consumers at this time is no longer limited to the functional attributes of the product such as the usefulness of a product, but it is already associated with a brand that is capable of providing imagery of a product.

Brands are the main tools that used by marketers to differentiate their products from their competitors' products. According to Kotler (2006:115) brand presence is able to attract consumers to use the product. "Brand is a name, term, sign, symbol, or design, or a combination of these, that identifies the maker or seller of a product or service." The increasing number of competitors of Smarphones in the market, then increased the sharpness of competition among the brands operating in the market and only brands that have strong brand equity that will remain able to compete, seize, and control the market.

The American Marketing Association (AMA) in Kotler and Keller (2007) identifies a brand as a term, sign, symbol or design, or a combination of all, intended to identify the goods or services of a vendor or vendor group and to the competitor's goods or services. The brand becomes a very important attribute in choosing a smartphone, as the brand functions to identify goods or services from a group or a bunch of presenters that distinguish it from similar products from other presenters (Kotler,

2012). Brands that have a good perception will generally attract prospective consumers to make a purchase because they are confident that the brand has good quality and can be trusted.

The company will be said to succeed when it is able to build a strong brand in the mind or memory of a customer through the right-level strategy, thus the brand of a product can provide added value to its customers expressed as Products that have brand equity (Astuti and Cahyadi, 2007). Brand Equity according to Aaker (1997:23) is a set of assets or liabilities relating to the brand, name, symbol that is able to increase or decrease the value that the product or service provides to the company or to the customer. Brand equity can be grouped into 4 dimensions: brand awareness, brand associations, perceived quality, brand loyality.

A product with strong brand equity can form a strong brand platform and be able to develop a brand presence in competition with long periods of time. Companies that successfully build strong brand equity will form a good perception of the brand to consumers who attract consumers in purchasing decisions. Brand equity greatly affects purchasing decisions made by consumers. Then after consumers are satisfied then the customer loyalty will be established by itself and the company will get long term benefits. Therefore, brand equity has a very important role in purchasing decisions.

Peter and Olsen (2000:14) proved in his research on the decision making of consumer purchases on convenience products, that when customers are faced with the choice of brand names, prices, and various attributes of the product, the customer Likely to

choose brand new first think of price. This is because brand equity has more value or benefits for customers, one of which is to provide or strengthen consumer confidence in making purchase decisions. Yo, et al. (2000:61) stated that "all elements of marketing are positively related to brand equity when leading more than one consumer behaviour to products that do not have a brand". Based on the above, we interesting to research on **The Effect of Brand Equity Dimension on Purchase**Decision Toward Oppo Smartphone in Bandar Lampung.

#### **B.** Problem Formulation

Based on the background above, Oppo market share decreased in 2018 compared to 2016 and the year 2017 in the region of Indonesia (table 1.3) and on TBI of Top Brand Award Oppo Smartphone still in the second rank (table 1.2). The position of Oppo is decreasing and Xiaomi shifting the market share of Oppo smartphone in year 2018 and indicates there is a problem, although the percentage of Oppo smartphones continues to increase every year but Xiaomi's existance as a strong competitor threatened Oppo Smartphone. As discovered by Kotler (2001:357), to outperform or win a strict competition it is necessary to form a strong product identity through brand competition, given that competition is not only limited to the attributes of the functional product, but it is already associated with a brand that is able to provide a special image for the customers. It can be done with regard to and maintaining the consistency of brand products. Similarly, a brand is a product or service of a dimensional enhancer in a certain way of other products or services

designed to satisfy the same needs (Kotler, 2001:332). Therefore, a brand must have high equity.

The strong brand equity should have an element of brand awareness, brand associations, percieved quality, and brand loyalty. When consumers have little information on a product, brand equity is used as a criterion of consumer decision making, high brand awareness will foster a brand-attached association, consumers will feel familiar with these brands that tend to like the brand compared to other brands that will ultimately affect consumers have an intention to make a purchase on a product with that brand.

Based on the identification above, the problem formula of research is as follows:

- Does brand awareness has positive effect on purchase decision toward Oppo Smartphone in Bandar Lampung?
- 2. Does brand association has positive effect on purchase decision toward Oppo Smartphone in Bandar Lampung?
- 3. Does brand quality has positive effect on purchase decision toward Oppo Smartphone in Bandar Lampung?
- 4. Does brand loyalty has positive effect on purchase decision toward Oppo Smartphones in Bandar Lampung?

#### C. Research Purpose

Based on the formulation of problems, the objectives of this research are as follows:

- To find out the positive effect of brand awareness on purchasing decision toward Oppo smartphones in Bandar Lampung
- 2. To find out the positive effect of brand association on purchasing decision toward Oppo smartphones in Bandar Lampung
- 3. To find out the positive effect of brand quality on purchasing decision toward Oppo smartphones in Bandar Lampung
- To find out the positive effect of brand loyalty on purchasing decision toward
   Oppo smartphones in Bandar Lampung

#### **D. Research Benefits**

#### 1. For the company

This research can be used as a source of information or input for the company's for policy makers or decisions in marketing a brand in order to create purchasing decisions by consumers who Positively impact the increasing number of their product sales and company profits.

#### 2. For readers

As an added knowledge of insight into learning and as a comparative ingredient of the theory in coursework with practice in the field. To

develop insight and knowledge in management science in general and marketing science in particular.

#### 3. For further research

The results of the study are expected to be used in addition to reference and reference as well as inputs for subsequent researchers who need to research marketing, particularly on brand equity and purchasing decisions.

#### II. LITERATURE AND CONCEPTUAL FRAMEWORK

#### **A.** Literature Review

#### 1. Brand Definition

The word "brand" come from "Brandr" which is in the old norse language meaning "to burn" referring to brand identification. At that time, the owner of the farm used a special stamp to mark his cattle to distinguish it from other livestock. Through the stamp, consumers more easily identify quality livestock from reputable breeders (Tjiptono, 2005:45). According to the trademark law No. 15 of 2001 article 1 paragraph 1 the brand is a sign that is an image, name, Word, letters, numbers, color arrangement, or a combination of those elements that have a differentiation power and used in activities trade of goods and services.

Kotler and Keller (2009) define the brand as a name, term, sign, symbol, or design, or a combination of all that is intended to identify goods or services or a sales group and to allocate it from goods and competitor services. The brand is one of the most important parts of a product that can be a plus for products that are products in the form of goods and services. Brands are also synonymous with names and are often interpreted as slogan or symbol, which is the differentiator between one product and another. The benefits of brand according to Keller (2008) are:

#### a) For Companies

- Means of identification
- Forms of legal protection
- Signal level of quality for consumers
- Means of creating associations
- Source of competitive advantage
- Source of financial returns

#### b) For Consumers

- Product source dentification
- Determination of liability to the company
- Risk reduction
- Emphasis of cost disbursement
- Special bonding with the company
- Symbol tools that project self-image
- Signal quality

Having a strong brand is a vital aspect for the company. A number of studies have found a positive impact on having a strong brand (Tjiptono, 2011):

#### a) Effects related to the product

Brands are positively related to product evaluation, quality perception and purchase rate. In addition, familiarity with a brand potentially increases costumer confidence, attitudes towards the brand, and purchase intention.

#### b) Effects related to the price

Brand leaders are able to set more expensive prices, stronger facing the situation of rising prices and more resistant to the price wars of the competitors. The Brand leader is also able to gain market share at a greater rate than competitors.

#### c) Effects related to marketing

Consumers tend to react positively to the repetition of famous brand ads. A high-commitment consumer on a brand tends to be more likely to be metabolisively and correct the negative information it receives. This is causes strong brands to be more capable of facing crisis situations.

#### d) Effects related to distribution

Products that have a strong brand are more readily acceptable to the distributors and get their own place in the market. Retail outlets are also more likely to highlight leading brands to create quality imagery.

#### 2. Brand Equity

According to Kotler and Keller (2009) Brand equity is a value added given to products and services. This value can be reflected in the way consumers think, feel and act towards the company's brand, price, market share and profitability. In the Model Aaker (1991) Brand equity is formulated from a managerial and corporate strategy standpoint, with the main foundation being consumer behaviour. Brand assets that contribute to the creation of brand equity in four dimensions according to Aaker (1991): Brand Awareness, Brand Associations, Brand Quality, and Brand Loyalty.

#### 1) Brand Awareness

The brand awareness level illustrates the brand presence in the minds of consumers that can be decisive in several categories and has a key role in brand equity. High brand awareness will foster an association that is attached to the brand, consumers will feel familiar with the brand that arises like feeling. Brand awareness will also affect consumers in purchasing decision making. Consumers tend to choose a brand that they already know, because consumers feel safer about something known and feel the famous brand is more reliable and assured of quality. According to Adam and Nasir (2008) This indicator can be measured through three sub indicators:

- 1. The brand that first appeared,
- 2. Ease of remembering product features,
- 3. Brand recognition

#### 2) Brand Associations

Brand associations are all things related to memory of the brand. So brand associations are all impressions that appear to be in the sense of a person related to his memory of a brand. Brand associations will be stronger when based on the growing number of consumer experience in consuming or using brands and often see the brand in corporate communication strategy. Various brand associations are interconnected and give rise to a series of brands called Image branding or brand images in the consumer's minds. The more associated brand associations the stronger the branding image. Consumers who are accustomed to using certain brands tend to have consistency over brand image. Furthermore, consumers will

think a certain brand is physically different from other brands, it will be considered in making a purchase decision. According to Adam and Nasir (2008) This indicator can be measured through four sub indicators:

- 1. Connection between brands with life,
- 2. Product Price,
- 3. Security of the product,
- 4. Sales location.

#### 3) Brand Quality

Brand quality is a customer's perception of the overall quality or excellence of a product or service in connection with the intended intent. The perception of the overall quality of a product or service can determine the value of that product or service and directly influence the consumer's buying decision as well as their loyalty to the brand. If the consumer quality perception of a positive brand means the product is liked, and conversely if the product negative is disliked and will not last long in the market. According to Adam and Nasir (2008) This indicator can be measured through three sub indicators:

- 1. Satisfaction of product quality,
- 2. Product attractiveness, and
- 3. Product performance.

## 4) Brand Loyalty

Brand loyalty is a measure of customer loyalty to the brand. These sizes can give an idea of the possibility of a customer switching to another product, especially if the brand has a good change in price or other attributes. Loyal consumers will generally be loyal to the brand in the event of repurchase despite being faced with alternatives to other brands. Loyalty is very important for the company because it guarantees future earnings acquisition. According to Adam and Nasir (2008) This indicator can be measured through four sub indicators:

- 1. Loyalty to the brand,
- 2. Brand Priority,
- 3. Repurchase the same brand, and
- 4. Switching to other brands.

#### 3. Purchase Decision

#### a) Purchase Decision Definition

Purchase decisions is one form of consumer behaviour in using or consuming a product. Consumers in making the decision to buy or use a product through a process in which the process is an overview of how consumers analyze a variety of inputs to make a decision in making a purchase.

The role in the purchase according to Kotler (1980) is:

- 1) Originator of the idea: A person who first proposed the idea to buy a particular product or service.
- 2) Influencers: A person who views or opinion influence purchase decisions
- 3) Decision-makers: A person who decides each component in the purchase decision whether to buy, what to buy, how to buy, or where to buy.
- 4) Buyer: Someone who do the actual purchase.
- 5) User: A person who consumes or uses a product or service.

### b) The Buying Decision Process

Generally, consumers follow a process or stage in decision making. According to Kotler & Kelller (2009), there are five stages of buying decision making:



Source: https://www.ukessays.com/,2019

Figure 2.1 Buying Decision Process

#### 1) Problem Recognition

The purchase decision making process starts from the introduction of problems or needs. Needs can arise from internal and external stimuli. Internal stimuli include hunger, thirst, and others. External stimuli include suggestions from the reference group, seeing the advertisements.

2) The aroused consumer information search needs to be driven to find more information to meet its needs. A consumer who has been interested may be

looking for more information. If consumer encouragement is so strong and satisfactory products are within reach, consumers will most likely buy them. Otherwise, the consumer may store the need for memory or search for information relating to that need. Consumers can obtain information from multiple sources. The sources are:

- a. Personal sources: Family, friends, neighbors, acquaintances.
- b. Commercial Source: Wiraniaga, Dealer, packaging, display.
- c. Public sources: Mass media, customer assessment organizations.
- d. Source experience: Handling, inspecting, using products.

The relative influence of sources – this source of information varies by product and buyer. Usually consumers receive almost all information on products from commercial sources that are controlled by marketing. But the most effective sources tend to be personal sources. Personal sources seem more important in influencing the purchase of a service. Commercial sources usually provide information to the buyer, but the personal source justifies or evaluates the product for the buyer.

#### 3) Alternatif Evaluation

At this stage consumers also consider other alternatives that can be used to meet their needs. Consumers will vote on attributes that provide the benefits they are looking for. Marketing people need to know about the evaluation of various alternatives i.e., how consumers process information does not use a simple process of evaluation in all purchase situations. Instead, several evaluation processes are used at once. The evaluation process of these alternatives includes:

first, we assume that every consumer sees a product as a product attribute package. Second, consumers will give different levels of interest to different attributes, according to unique needs and desires. Third, consumers will probably develop a brand confidence arrangement about the position of each brand on each attribute. Fourth, the expectation of total consumer product satisfaction will vary against level – different attribute level. Fifth, consumers achieve an attitude towards different brands through the evaluation procedure.

## 4) Buying Decision

In the evaluation phase, consumers made their top rankings and formed the intention to buy. Nevertheless, there are two factors that can affect purchase intent and purchase decision. The first factor is the attitude of others, how far the attitude of the other party can reduce the alternative that someone liked depends on two things, namely the intensity of the negative attitude of the other to alternative consumer options, and the consumer's motive is subject to Others' desires. The second factor that affects is the unexpected situation factor.

#### 5) Post Purchace behavior

After purchasing the product, the consumer can be satisfied also dissatisfied and will be seen in the post-purchase behavior. Consumer satisfaction is a function of how close to the buyer's expectation of the product with the usability that the product feels. If the product fails to meet expectations, consumers are disappointed; If expectations are fulfilled, consumers are satisfied; If expectations are exceeded, consumers are very satisfied. Consumers will evaluate

the products that they have bought whether satisfactory or not. If the product is satisfactory then there is a possibility that the consumer will re-purchase.

Acording to Kotler (1995:70) there are four indicators purchase decision, i.e :

- 1. Stability of a product.
- 2. Habit of buying products.
- 3. Provide recommendations to others.

## 4. Re-purchase.

According to Philip Kotler (2013) The purchasing decision is influenced by the following factors:

#### a) Cultural Factor

Culture, sub-cultures, and social classes are critical to purchasing behaviour.

Culture is the most basic of desire and behaviour.

#### b) Social Factor

#### 1. Refference Group

A reference group in consumer purchasing behavior can be interpreted as a group that can give a direct or indirect influence to a person's attitude or behaviour.

#### 2. Family

In this study the family differentiated into two types, an Orientas family consisting of parents and siblings of one who can provide religious, political, and economic orientation as well as personal ambitions, self-esteem, and love. In addition there are procreative families consisting of couples and the number of children who have someone.

#### 3. Role and Status

The higher the role of someone in the organization the higher the status of someone in the organization and can directly impact the purchase behavior.

#### c) Personal

#### 1. Age and family life cycle

People buy different goods and services throughout their life in which this consumption activity is influenced by the family life cycle.

## 2. Employment and economic environment

The emplyment and economic environment of a person can affect their consumption. Usually product selection is also done based on a person's economic circumstances such as the amount of income, savings, debts and attitudes towards shopping or saving.

## 3. Lifestyle

Lifestyle can be interpreted as a person's living pattern revealed in its activities, interests and opinions that are formed through social and occupational classes. Seeing this as an opportunity in marketing activities, many marketers are directing their brand to a person's lifestyle.

## 4. Personality

Personality is a distinct innate characteristic of human psychologically resulting in a relatively consistent and durable response to its environmental stimuli. Personality can be a very useful variable in analyzing the choice of consumer brands. This is because some consumers will choose a brand that matches their personality.

# 5. Psychological

This psychological factor is influenced by motivation, perception, learning, and beliefs and attitudes.

# **B.** Research Accomplished

**Table 2.1 Research Accomplished** 

Table	2.1 Research Ac	compusueu	
No.	Name	Title	Conclusion
1.	Amir Adam and Nasir Akber (2016)	The impact of brand equity on consumer purchase decision of cell phones.	The results of this study concluded that brand equity (brand association, brand awareness, brand quality, and brand loyalty) had a positive and significant influence on mobile phone purchase decision with R2 of 44.0%.
2.	Naeem Akhtar, et al. (2016)	Impact if brand equity on consumer purchase decision in L'oreal skincare products.	The results of this research mention that brand awareness, and brand loyalty have a positive influence on purchasing decisions. While perceived quality and brand association have a negative influence on purchasing decisions.
3.	Widiarta and Wardhana (2015)	Effect of brand equity on iPhone buying decisions in Denpasar.	The results stated that the 4 dimensional brand equity that includes brand awareness, brand associations, perceived quality, brand loyalty has a positive and significant influence on the purchasing decision Mountea, and the most influential variable is the brand Awareness.

# C. Conceptual Framework

The reasoning figure illustrates a relationship between the variables independent of the dependent variable. The following are thought figures of this study.

Decision (Y)

# Brand Equity (X) Brand Awareness (X1) H1 Brand Association (X2) Consumer Purchase

H3

H4

(X4)

Brand Quality (X3)

**Brand Loyalty** 

**Figure 2.2 Conceptual Framework** Source: *International Journal*, Adam and Nasir (2016)

## D. Hypothesis

Brand equity is the desire of a person to continue using a brand or not (Kotler, 2012). According to Wijanarko (2004), brand Equity is a set of brand assets and liabilities relating to a brand, name, and symbol that augments or reduces the value provided by an item or service to a company or customer. Amir Adam and Nasin Akber (2016) expressed in his research titled "The Impact of brand equity on consumer purchase decision of cell phones" that the dimensions of The brand (brand awareness, brand association, brand quality, and brand loyalty) has positive effect on purchase decision.

Based on the description and frame of thought above then the author formulates the hypothesis as follows:

- H1: Brand awareness has positive effects on purchase decision toward Oppo smartphone in Bandar Lampung.
- H2: Brand association has positive effects on purchase decision toward Oppo smartphone in Bandar Lampung.
- H3: Brand quality has positive effects on purchase decision toward Oppo smartphone in Bandar Lampung.
- H4: Brand loyalty has positive effects on purchase decision toward Oppo smartphone in Bandar Lampung.

#### III. RESEARCH METHODOLOGY

#### A. Research Design

This research is a type of causal associative research that aims to analyze the relationship between one variable and the other or how a variable affects another variable (Umar, 2003). In other words the causal design is useful for analyzing how a variable affects another variable.

## B. Research Object

The object of this research is the effect of brand equity dimension on purchase decision toward Oppo Smartphone in Bandar Lampung which consist of Brand Awareness, Brand Association, Brand Quality, and Brand Loyalty.

#### C. Data Sources

#### 1. Primary Data

Primary data is data that was first recorded and collected by the researcher (Sanusi, 2011). This Data must be searched through a resource or in the technical terms of the respondent, that is the person who we make the object of research or the person we make as a means of obtaining information or data. The primary Data in this research is obtained by spreading the questionnaire to the respondent,

namely the community that has visited the purchase of Oppo smartphone in Bandar Lampung.

## 2. Secondary Data

Secondary data is data that refers to information gathered from existing sources. Secondary data sources are company records or documentation, government publications, industry analysis by media, websites, internet and so on (Uma Sekaran, 2011:142). Secondary Data in this study obtained indirectly through intermediate or supporting media such as marketing books, marketing journals, and internet.

#### D. Data Collection Method

## 1. Questionnaire

Questionnaire is a number of questions or written statements about factual data or opinions relating to the respondent's self, which are considered facts or truths that are known and need to be answered by the respondent (Anwar, 2009:168). This research will apply questionnaire survey to verify the hypotheses and research framework. Questions on the questionnaire are guided by variable indicators. The research uses the Likert scale. According to Pandjaitan and Ahmad (2018) Likert scales are used to measure the attitudes, incomes, and preconception of a person or group of people against social phenomena. The measurement of the data used is the Likert 1-5 scale with the following description:

- 1. Score 5 for answers strongly agree (SA)
- 2. Score 4 for answers agree (A)
- 3. Score 3 for neutral answers (N)
- 4. Score 2 for answer disagree (D)
- 5. Score 1 for very disagree answer (SD)

#### 2. Observation

Observation is done by collecting secondary data as well as theories and observing matters related to the research.

## E. Research Population and Sampling

## 1. Population

The population according to Sugiyono (2009:45) is a generalization area consisting of objects or subjects that have certain qualities and characteristics set by researchers to learn and then withdrawn in conclusion. The population in this study is an opposmartphone user in Bandar Lampung.

#### 2. Sample

The samples are part of the number and characteristics owned by the population (Sugiyono, 2009:45). Proper sampling is the use of sampling techniques to determine the samples to be used. The sample that is made by respondents in this research is the consumer Oppo smartphone in Bandar Lampung using non probability sampling method, which is a sampling technique that does not provide the same opportunity or

opportunity for any element or member population to be selected into sample (Sugiyono, 2013).

By looking at the characteristics of the existing population and the purpose of this research, the determination of respondents that were made samples in this study was conducted with purposive sampling. According to Malhotra (2014: 366), purposive sampling is the technique of determining samples based on certain considerations, which are considered to be suitable with the characteristics of the specified sample will be sampled.

The sample selection criteria in this study are as follows:

- 1) Recognize and know the Oppo brand smartphone product.
- 2) Use Oppo brand smartphones.
- 3) Will to be a respondent.

Hair, et al (2010) suggests appropriate sample sizes range between 100-200 respondents. According to Supranto (2001) if the population is not yet known Needs to be estimated the sample proportions can be calculated by formula:

$$n = \frac{1}{4} \left[ \frac{z r / 2}{E} \right]^2$$

Where;

n = number of smaple

Z = number that indicating deviation of variance value from the mean

E = maximum errors that may be experienced

= data error that can be tolerated by researchers

When the confidence level is 95%, it means that researchers believe mistakes of samples only 5% (=5%) and 10% error limit which means that researchers only tolerate errors of respondents in the process of searching the data should not exceed 10% of the total respondents, then the size of the minimum are:

$$n = \frac{1}{4} \left[ \frac{z0,05/2}{0,1} \right]^2$$

$$= \frac{1}{4} \left[ \frac{1,96}{0,1} \right]^2$$

$$= \frac{1}{4} [19,6]^2$$

$$= \frac{1}{4} [384,16] = 96, 04 = 100 \text{ respondents}$$

The number of samples in this study was determined at least 100 who were the consumers of Oppo smartphones in Bandar Lampung. That number of sample is sufficient to represent the population.

## F. Research Variable and Operasionel Variable Definition

#### 1. Research Variable

The research variable according to Sugiyono (2015:63) is everything that is shaped by the researchers to learn so as to obtain information about it, and then withdrawn its conclusion. Variable operations are required to find the indicator type, as well as the

scale of the variables associated in the study. The variables associated in this research are;

## a) Independent Variable

Independent variables are often referred to as stimulus variables, predictors, antecedents. According to Sugiyono (2015:64) A independent variable is a variable that affects or that causes change or occurrence of dependent variables, the independent variable that is researched is Brand Equity (X).

## b) Dependent Variable

A dependent variable is a variable that is influenced or which is due to a independent variable, Sugiyono (2015:64). According to the problem studied then the variable binding is the purchase decision (Y).

## 2. Operasional Variable

Here are the operational definitions of variables developed in this study in accordance with the libraries described earlier:

**Table 3.1 Operasional Variable Definition** 

Variable	Operational Variable Definition	Indicator	Scale
Brand Awareness (X1)	The brand awareness level illustrates the brand presence in the minds of consumers that can be decisive in several categories and has a key role in brand equity.  Aaker (1996) in Adam dan Nasir (2016)	<ul> <li>My brand comes to my mind first.</li> <li>Easily recall features</li> <li>Recognize the shape</li> <li>Recognize the logo</li> </ul> Aaker (1996) dalam Adam dan Nasir (2016)	Likert

**Table 3.1 Operasional Variable Definition (continued)** 

Table 3.1 Operasion	nai variabie Deliniuor	i (continucu)	
Brand Association (X2)	Brand associations are all things related to memory of the brand.  Aaker (1996) in Adam and Nasir (2016)	<ul> <li>Type of life I strive fo</li> <li>Defines "I" and "me"</li> <li>Connections between the brand and life</li> <li>Other judge me</li> <li>Aaker (1996) dalam Adam dan Nasir (2016)</li> </ul>	Likert
Brand Perceived Quality (X3)	Quality perception is the customer's perception of overall quality or excellence of a product or service related to the intended intent	<ul> <li>Satisfied with the quality</li> <li>Consistent performance</li> <li>Aesthetic appeal is stylish</li> </ul>	Likert
	Aaker (1996) dalam Adam and Nasir (2016)	Aaker (1996) dalam Adam dan Nasir (2016)	
Brand Loyalty (X4)	Brand loyalty is a measure of customer loyalty to the brand	<ul> <li>Loyal to the brand.</li> <li>Will always be my first choice.</li> <li>Will not buy other brands if my brand is not available.</li> <li>Will pefer to buy the same brand that I use even if brand has same features.</li> </ul>	Likert
	Aaker (1996) in Adam dan Nasir (2016)	Aaker (1996) in Adam dan Nasir (2016)	
Consumer Purchase Decision (Y)	Purchase decisions can be said as one form of consumer behaviour in using or consuming a product	<ul> <li>Depends upon how other judge me.</li> <li>Awareness regarding a brand guides my puschase decision</li> <li>Brand quality affects my purchase decision.</li> <li>I will buy the same brand in future.</li> </ul>	Likert
	Aaker (1996) in Adam dan Nasir (2016)	Aaker (1996) in Adam dan Nasir (2016)	

Source: Europhian Journal of Adam and Nasir (2016).

# **G.** Data Analysis Method

# 1. Validity Test

According to Ghozali (2013) The validity test is used to measure the legitimate or valid absence of a questionnaire. A questionnaire is said to be valid if the question on the questionnaire was able to reveal something to be measured by the

37

questionnaire. The validity test techniques used in this study were factor analysis

with the help of SPSS software version 18.0. Analysis of factors using the Kaiser-

Mayer-Oklin Measure of Sampling Adequacy (KMO-MSA) with the requisite

KMO value, anti image, and loading factor should be greater than 0.5 so that the

analysis process can be continued to the next test.

2. Reliability Test

The reliability test is a measuring instrument to determine the extent to which the

measuring instrument is consistently reliable. The reliability calculations were

done with the help of the SPSS statistical program version 18.0 using Cronbach's

alpha measurement technique. According to Ghozali (2006) A variable is said to

be reliable when Cronbach's alpha > 0.6 results as well as Cronbach's alpha if item

deleted > 0.6 but < Cronbach's alpha.

3. Multiple Linear Regression Analysis

Multiple linear regression analysis conducted to determine the influence of brand

equity on the purchase decision of batik clothes on Oppo smartphone in Bandar

Lampung, using multiple linear regression analysis:

$$Y = a + {}_{1}X_{1} + {}_{2}X_{2} + {}_{3}X_{3} + {}_{4}X_{4} + t$$

Description:

Y = Purchase Decision

 $X_1$  = Brand Awareness

 $X_2$  = Brand Association

 $X_3$  = Brand Quality

 $X_4$  = Brand Loyalty

a = Constanta

= Coefisient

t = Error term

## H. Hypothesis Testing

#### 1. t Test (Partial)

This test is intended to know whether each independent variable partially affects the dependent variable, which is said to have significant effect when the SIG value is < 0.05. This test is conducted with 95% confidence level with the following provisions:

- 1) If  $t_{calculate} > t_{table}$  (0,05), so it can be concluded that Ha was accepted and Ho refused
- 2) If  $t_{calculate} < t_{table}$  (0,05), so it can be concluded that Ha was rejected and Ho received.

# 2. Coefficient Determination Test (Adjusted $R^2$ )

This test is used to measure the regression line model or to see contributions contributed from the independent variables that are tested against a dependent variable, so it is known whether the regression model being examined meets the criteria as a fit model. An approaching R2 value of 1 implies that independent variables provide almost all the information needed to predict a dependent variable (Ghozali, 2006).

#### V. CONCLUSIONS AND SUGGESTION

#### A. Conclusion

Based on the analysis that has been done, it can be concluded that this hypothesis can be accepted, in which the hypothesis is Brand Awareness (X1), Brand Association (X2), Brand Quality (X3), and Brand Loyalty (X4), collectively the same effect on the Purchase Decision toward Oppo Smartphone in Bandar Lampung. Hypothesis positive and acceptable, with the following conclusions:

Variable Brand Awareness (X1) has positive effect on purchase decision toward Oppo Smartphone in Bandar Lampung, but a fraction of the respondent still assumes that Oppo has not been able to become first mind, the features can't easily recall, the shape and logo is not easily recognize

1. Variable Brand Awareness (X1) has positive effect on purchase decision toward Oppo Smartphone in Bandar Lampung, but from some questions that indicate the measurement of the brand awareness there are a small portion of respondent disagree, this shows the brand awareness of Oppo smartphone not maximum because Oppo has not been able to become first mind, the features can't easily recall, the shape and logo is not easily recognize.

- 2. Variable Brand Association (X2) has positive effect on purchase decision toward Oppo Smartphone in Bandar Lampung, but from some questions that indicate the measurement of the brand association there are a small portion of respondent disagree, this shows the brand association of Oppo smartphone not maximum.
- 3. Variable Brand Quality (X3) has positive effect on purchase decision toward Oppo Smartphone in Bandar Lampung, but from some questions that indicate the measurement of the brand quality such as about aesthetic appeal there are a small portion of respondent disagree, this shows the brand quality of Oppo smartphone not maximum.
- 4. Variable Brand Loyalty (X4) has positive effect on purchase decision toward Oppo Smartphone in Bandar Lampung, but from some questions that indicate the measurement of the brand loyalty there are a small portion of respondent disagree, this shows the brand loyalty of Oppo smartphone not maximum.

#### **B.** Suggestion

Based on the results and discussion that has been described, the following points can be made suggestion is:

1. Based on the results of a quantitative and descriptive analysis, it can be seen that the dimensions of Brand Loyalty has the lowest influence with a beta value of 0.188 so as advice Oppo Smartphone needs to focus on innovating their products they need to make their own specific performance that no other brand can have. From the questionaire known that the lowest response is about Oppo Smartphone features and the distribution. Based on the

qualitative analysis mostly Oppo Smartphone customers is women in age 25-35 years old and working as employees, Oppo Smartphone can make a product that have a big capacity of memories to make their customer easily work in their phone and also Oppo Smartphone can make a proper software or application for sharing data but it is only for Oppo user so that they can easily sharing their work documents easily and on the other hand if the application or software going well it could be one of the great advantage and characteristic of Oppo Smartphone also can attract a new customers. Oppo also needs focus on their distribution process they have to make sure their products is distributed well even in the small retail.

2. Based on the results of a quantitative and descriptive analysis, it can be seen that the dimensions of Brand Association has the second lowest influence, the beta value amounted to 0,201 so as suggestions Oppo Smartphone also very need to pay more attention to the improvement of the association of its brand because at the moment the technology is growing rapidly so that competition in the tech world are increasingly stringent, particularly in product Smartphones are now many emerging brands of competitors who started instilling brand image in the minds of consumers. Companies need to instill a positive perception in the minds of consumers that Oppo Smartphone has a higher quality product than brand competitors. Oppo smartphones need to create a product that suits what it needs and what consumers want and facilitate the daily life and make their life and work easy. So consumers will choose Oppo smartphones compared to other brands.

- 3. Based on the results of a quantitative and descriptive analysis, it can be seen that the dimensions of Brand Quality has a third effect with the beta value of 0.311 so as suggestions Oppo Smartphones needs to keep maintain their quality and always keep moving with a new idea and inovating products. For example, upgrades the software quality to make a consistent performance and makes new innovations for Oppo Smartphone design have to be more stylish and suitable for the customers which are based on the qualitative analysis mostly is women in age 25-35 years old. For example make a wide screen with thin and light design.
- 4. Based on the results of a quantitative and descriptive analysis, it can be seen that the dimensions of brand awareness has the highest influece with a beta value of 0.342 so as a suggestion to retain and increase their brand awareness Oppo Smartphone have to do more intensive promotion and in a way the message conveyed more easily remembered by the consumer and that the message should be simple and attractive so that consumers will always remember with Oppo Smartphone and Oppo Smartphone always put the top of mind of the consumer. And also make different designs of the brands that exist in the market, so the Oppo Smartphone will have its own distinctive features that other smartphones do not have.
- 5. For further research, it should be to expand the research to obtain more complete information about the factors that influence purchase decisions.

#### REFERENCES

- Aaker, T., 1991, Power of Brand, Gramedia Pustaka Utama, Jakarta
- Aaker, David A. 1997. *Manajemen Ekuitas Merek*, Alih Bahasa: Aris Ananda. New York: The Freepress.
- Adam, Muhammad Amir, dan Sameen Nasir Akber. 2016. "The Impact Of Brand Equity on Consumer Purchase Decision of Cell Phones". European Journal of Business and Innovation Research Vol.4, No.4, pp.60-13.
- Akhtar, Quratul Ain, Umer Iqbal Siddiqi, Amna Ashrat, dan Muniba Latif. 2016. Impact of a Brand Equity on Consumen Purchase Decision in L'oreal Skincare Products. *International Review of Management and Business Research*. Vol.5. Isuue.3.
- Ali, Asim and Hasnu. 2013. "An Analysis Of Consumers' Characteristics On Impulse Buying: Evidence From Pakistan". Interdisciplinary journal of contemporary research in business, Vol 5, No.2
- Anwar, Suroyo. (2009). Pemahaman Individu, Observasi, Checklist, Interview, Kuesioner, dan Sosiometri. Yogyakarta: Pustaka Pelajar.
- Astuti, Sri Wahjuni, dan I Gde Cahyadi. 2007. Pengaruh Elemen Ekuitas Merek Terhadap Rasa Percaya Diri Pelanggan Di Surabaya Atas Keputusan Pembelian Sepeda Motor Honda. *Majalah Ekonomi*, 17(2), h: 145-156.
- Fandy Tjiptono, 2005. *Pemasaran Jasa*, Malang: Bayumedia Publishing.
- Fandi, Tjiptono. 2006. Pemasaran Jasa. Sleman. Bayu Media.
- Ghozali, Imam. 2006. *Aplikasi Analisis Multivariate Dengan Program SPSS*. Cetakan Keempat. Semarang: Badan Penerbit Universitas Diponegoro
- Ghozali, Imam. 2013. Aplikasi Analisis Multivariate dengan Program IBM SPSS 21 Update PLS Regresi. Semarang: Badan Penerbit Universitas Diponegoro
- Husein, Umar. (2003). *Metode Riset Perilaku Konsumen Jasa*. Jakarta : Ghalia Indonesia.

- Kotler, Philip & Gery Amstrong. 2001. *Prinsip-prinsip pemasaran*. Jakarta : Erlangga
- Kotler, P., & Keller, K. L. (2007). *Marketing Management Twelfth Edition*. New Jersey: Pearson Prentice Hall.
- Kotler, Philip & Kevin Lane Keller. 2009, *Manajemen Pemasaran* Edisi 13 Jilid 1. Jakarta: Erlangga.
- Kotler, Philip dan Armstrong, Gary. 2012. *Principles of Marketing*. 11th Edition. New Jersey. Perntice Hall, Pearson Education, Inc,. Upper Saddle River, New Jersey.
- Malhotra, Naresh K. 2009. *Riset Pemasaran Pendekatan Terapi*. Jilid 1 Edisi Keempat. Jakarta: Penerbit PT. Indeks.
- Malhotra, N.K. (2014). "Marketing Research: An Applied Approach. 6<sup>th</sup> Edition". Prentice Hall, Upper Saddle River.
- Paul, J. Peter dan Jerry C. Olson. 2000. Consumer Behavior: Perilaku Konsumen dan Strategi Pemasaran. Terjemahan. Jakarta: Erlangga
- Pandjaitan, Dorothy R. H. dan Ahmad, Aripin. 2018. Metode Penelitian Untuk Bisnis. Edisi 2. Lampung: Pusaka Media.
- Sanusi. 2011. Metode Penelitian Bisnis. Jakarta: Salemba Empat.
- Sekaran, Uma dan Roger Bougie (2011) Edisi 5, Research Method for Business: A Skill Building Approach. John Wiley @Sons, New York.
- Sugiyono. 2013. Metode Penelitian Kombinasi. CV Alfabeta. Bandung.
- Sugiyono. 2015. Metode Penelitian Pendidikan (Pendekatan Kuantitatif, Kualitatif dan R&D). Penerbit CV. Alfabeta: Bandung.
- Tjiptono, Fandy, Gregorius, Chandra, 2011. Service, Quality, and Satisfaction. Yogyakarta. Penerbit Andi.
- Wijanarko, H dan A.B.Susanto, 2004. *Power Branding*. Edisi Ke 11, Jilid 1, Jakarta: Quantum
- Widiarta, I Gede Teguh Esa, dan I Made Wardana. 2015. "Pengaruh Ekuitas Merek Terhadap Keputusan Pembelian Iphone di Denpasar". E-Jurnal Manajemen Unud, Vol. 4, No. 4, 2015: 832-848.