Young Consumers' Insights on Brand Equity: Effects of Brand Association, Brand Loyalty, Brand Awareness, and Brand Image

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ABSTRACT

One of the consequences of shopping is that consumers only pay attention to certain brands that can satisfy their needs and desires. Therefore the organization must pay attention to ways to follow and further develop a positive brand image. The purpose of this study was to examine and analyze the effect of brand association, brand loyalty, brand awareness and brand image on brand equity in young consumers. The sample in this study were several university students in the Surakarta environment. The sampling method used in this study is non-probability sampling, while the technique used is purposive sampling. Data collection method in this study is surveys using a Likert Scale. The independent variables in this study consisted of brand association, brand loyalty, brand awareness, and brand image. The independent variable in this study is brand equity. The results of data from several respondents were analyzed using descriptive statistical tests and multiple linear regression using the Statistical Package of the Social Science Computer Program (SPSS) version 21. The results through multiple linear regression analysis showed that brand associations and brand loyalty had an effect on brand equity of premium travel destinations in Labuan Bajo on social media among young consumers while brand awareness and brand image, have no effect on brand equity in social media among young consumers.

1. INTRODUCTION

Globalization is the reason for the rapid progress of the modern world and business. Hundreds of new items are available to spice up Indonesia's company and industrial world. This makes the business competition even wilder because many comparable products appear, and so many new brand names also appear (Achilleos et al., 2019; Tien, 2018). The presence of various brands is increasingly fixing the competition between brands in winning customers' hearts. Contests are also changing; product popularity has now turned into a brand contest based on what was originally a product competition (Asseraf & Shoham, 2017; Mandal, 2020; Pappu et al., 2005).

Brands are the most significant resource for any organization and are generally considered the fundamental justification behind the shopper's decision to act as an instrument for the customer. Previous study characterize brand equity as its impact as a positive differentiator from appropriate shopper reactions or administration (Pina & Dias, 2021). Further from consumer information on labor and product brand names. For this situation, the company should have the option to develop the value of the claimed brand of goods and services so that buyers do not switch to another brand. Brand association is everything related to the memory of a brand (Kim et al., 2021; Naseem et al., 2015; Nuseir & Elrefae, 2022). Brand affiliation can be item attribute, elusive credit, client advantage, relative cost, usage, client/customer, famous individual, lifestyle/character, product class, competitors, and country or geographic region (Abdul-Talib & Japeri, 2020; Pappu et al., 2005).

Brand image is a set of buyer beliefs about a particular brand. Another advantage of a positive pre-eminent brand image is that the organization can drive product offerings by leveraging the positive image that has formed on legacy brands (D’Astous & Ahmed, 1999; Hien et al., 2020; Mandal, 2020). The organization should pay attention to ways to follow and further develop a positive brand image (Sasmita & Suki, 2015; Severi & Ling, 2013). Then, brand loyalty is a positive mentality towards a brand that results in reliable brand acquisition in the long run. This is a consequence of shopper learning; only certain brands can satisfy their needs and wants (Ebrahim, 2020; Severi & Ling, 2013; Tuominen, 1999). As point out by previous study brand awareness is a means that buyers use to partner with brands with specific items they

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may wish to own (Dwivedi et al. 2021). The work of brand attention to sign value can be seen by looking at how brand attention creates a perception of self-esteem (Durianto & Sugiarto, 2001; Lee et al., 2020).

Furthermore, little consideration has been devoted to understanding variables such as brand affiliation, brand reliability, and brand awareness; also, brand image influences brand value in Malaysia, especially among young buyers. College students, e.g. young shoppers, are one of the most influential proponents of the increasing number of mobile phone deals, are significant clients of web-based entertainment and are highly open to broad brand fairs (Algharabat et al., 2020; Ebrahim, 2020; Sasmita & Suki, 2015). They frequently browse websites, check email, and invest a little of their energy in informal long-distance communication purposes, e.g., Facebook, MySpace, Twitter, and LinkedIn, most often via their cell phones (Norazah and Norbayah, 2013; Peterson and Low, 2011). Then, this research will concentrate on a premium tourist attraction, Labuan Bajo.

As one of the attractions of the tourism industry that is well known to foreign nations, Labuan Bajo is also not spared from the progress of the tourism industry. Labuan Bajo’s status as a super-needs destination has further driven the travel industry. This status guarantee was followed by various initiatives supported by focused taxpayers as a form of assistance to improve the travel industry in Labuan Bajo. Thus, several fundamental factors show that the progress of the travel industry in Labuan Bajo is still facing obstacles. For example, the proposal for vacation spots is minimal, so a visit to Labuan Bajo cannot be separated from just seeing the Komodo dragon-winged snake. Therefore, this study will analyze the impact of brand association, brand loyalty, brand awareness, and brand image on brand value among young customers regarding the premium destination of Labuan Bajo.

2. METHODS

The population in this exploration were students from the University in Surakarta. Sampling in this study used a non-probability sampling with a purposive sampling method; sampling is done by taking samples from the population based on specific criteria (Hartono, 2013). The sampling criteria used are students who have visited and are interested in Labuan Bajo premium tourism products and facilities and follow social media developments. To obtain necessary information, specialists distribute surveys. A total of 180 polls were submitted. There were 180 polls submitted and 180 surveys returned, of which 137 surveys were completed and deserved to be handled. The attributes of the sample or respondent are introduced in Table 1.

Table 1. Sample Characteristic

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>95</td>
<td>69.30</td>
</tr>
<tr>
<td>Female</td>
<td>42</td>
<td>30.70</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17-19 years old</td>
<td>32</td>
<td>23.40</td>
</tr>
<tr>
<td>20-22 years old</td>
<td>61</td>
<td>44.50</td>
</tr>
<tr>
<td>&gt;22 years old</td>
<td>44</td>
<td>32.10</td>
</tr>
<tr>
<td><strong>Social Media</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instagram</td>
<td>18</td>
<td>13.20</td>
</tr>
<tr>
<td>Facebook</td>
<td>75</td>
<td>54.70</td>
</tr>
<tr>
<td>Other</td>
<td>44</td>
<td>32.10</td>
</tr>
</tbody>
</table>

To provide a better description and understanding of the variables used, the following are operational definitions of each variable in this study. Each statement item used was measured using a Likert Scale with 5 choices, namely Strongly Disagree (STS), Disagree (TS), Neutral (N), Agree (S) and Strongly Agree (SS). The independent variables in this study consisted of brand association, brand loyalty, brand awareness, and brand image. The independent variable in this study is brand equity. The measurement of brand association, brand loyalty, and brand awareness in this study uses 5 statement items. Measurement of brand image in this study uses 3 statement items. Brand Equity is a set of assets and brand trust associated with certain brands, names and or symbols of everything related to Labuan Bajo premium tourist destinations, which can increase or decrease the value provided by Labuan Bajo premium tourist destinations for marketers/companies and consumers. Labuan Bajo premium tourist destination. The brand equity measurement in this study uses 2 statement items.
3. RESULTS AND DISCUSSIONS

Research Instruments Test Results

Validity testing was carried out on this study's five main variables: brand association, brand loyalty, brand awareness, brand image, and brand equity. There are two items in the questionnaire that are not valid, namely the fifth item from the brand association variable (AS5) and the first item from the brand awareness variable (KM1), because it has a factor loading of less than 0.50. Therefore, the two statement items were omitted and re-tested the validity. Based on the results of the re-validity test, 18 statement items in the questionnaire were declared valid because they had been extracted perfectly and had a factor loading ≥ 0.50. The items mentioned above include brand association variables consisting of four statement items, brand loyalty consisting of five statement items, brand awareness consisting of four statement items, and a brand image composed of three statement items. Then the last variable, brand equity, consists of two statement items. Based on the reliability test, the brand association Cronbach alpha value of 0.756, brand loyalty of 0.907, brand awareness of 0.907, brand image of 0.617, and brand equity of 0.765. All reliable variables were declared trustworthy, with Cronbach's alpha value above 0.6.

Hypothesis Test Result

This study used multiple linear regression to test the hypothesis, assisted by SPSS version 21 software. As a result, brand associations and loyalty affect brand equity (p<0.05), so hypotheses 1 and 2 are supported, while hypotheses 3 and 4 are not supported in this study. The results of multiple linear regression analysis can be seen in Table 3.

Table 3. Linear Regression Analysis Test Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>t</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Association</td>
<td>2.800</td>
<td>0.006</td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>2.348</td>
<td>0.020</td>
</tr>
<tr>
<td>Brand Image</td>
<td>-0.470</td>
<td>0.639</td>
</tr>
<tr>
<td>Brand Awareness</td>
<td>-1.131</td>
<td>0.260</td>
</tr>
<tr>
<td>R2</td>
<td>0.142</td>
<td></td>
</tr>
<tr>
<td>Adjusted R2</td>
<td>0.116</td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>5.478</td>
<td>0.000</td>
</tr>
</tbody>
</table>

The Effect of Brand Association on Brand Equity

The results showed that brand associations positively and significantly affected brand equity. This is possible because young customers, especially students, trust tourism or the products of a company whose products have appeared on social media and are familiar to them (Balinado et al., 2021; Nugroho et al., 2020). Students realize that the premium tourist destination of Labuan Bajo is unique and different from competing products after receiving advertisements from social media via their smartphones. This study proves that the higher the brand association with a product, the higher the chance that consumers and consumers will remember the outcome will always be loyal to the brand. The results of this study support research conducted by other previous study which show that brand associations positively affect brand equity (Sasmita & Suki, 2015).

The Effect of Brand Loyalty on Brand Equity

The results showed that brand loyalty had a positive effect on brand equity. This means that the higher the consumer loyalty to the premium tourist destination of Labuan Bajo, the higher the value given by the premium tourist destination of Labuan Bajo to its consumers. The results of this study support the research conducted by previous study showing that brand loyalty has a positive effect on brand equity (Sasmita & Suki, 2015; Severi & Ling, 2013).

The Effect of Brand Awareness on Brand Equity

The results showed that brand awareness had no significant effect on brand equity. This can happen because students, even though they are aware of the presence of Nike products on the market, are not always interested and buy these products; this is because brand awareness does not significantly influence brand equity. The results of this study do not support research which states that brand awareness affects brand equity (González-Mansilla et al., 2019; Marques et al., 2020; Shariq, 2018). However, this study supports the opinion that brand awareness does not impact brand equity. A person's memory of a brand in the market cannot be a determining factor in increasing brand equity (Ebrahim, 2020; González-Mansilla et al., 2019; Xu et al., 2022), even though they are aware of it. Individuals aware of the product on the market...
are not always interested in the product (Ayyakkannu, 2018; Kim et al., 2021; Sukarti et al., 2016). Looking at the respondent’s questionnaire table, students in Surakarta are aware of the premium tourist destination Labuan Bajo on social media. They remember its characteristics as a high-end shoe product and a reasonably high price compared to other tourist destinations. However, the number of advertisements for other tourist destinations on social media causes students to realize that many different shoe products may be more attractive and cheaper (Chen et al., 2021; Dwivedi et al., 2021; Vatjanasareregagul & Wang, 2011). There may also be students who have had bad experiences using facilities and products at premium tourist destinations in Labuan Bajo, thus causing brand awareness about Labuan Bajo not to increase brand equity regarding excellent tourist destinations in Labuan Bajo (Cakici & Shukla, 2017; Dwivedi et al., 2021).

### The effect of Brand Image on Brand Equity

The results showed that brand image had no significant effect on brand equity. This is possible because students perceive the premium tourist destination of Labuan Bajo as a product with an expensive and classy tourist image, so students who know the image of the premium tourist destination of Labuan Bajo tend not to choose and buy products from the premium tourist destination of Labuan Bajo. The results of this study do not support research that states that brand image positively affects brand equity. However, this study supports the opinion that brand image harms brand equity (Sasmita & Suki, 2015; Severi & Ling, 2013). Brand image is a reflection of one’s perception of the brand; a brand can look positive or negative depending on the buyer’s side; this causes the brand image to be complex as a determinant of brand equity. Many students consider the premium tourist destination of Labuan Bajo in Surakarta as a tourist destination intended for the upper class with a high price; this is not a destination for students. It is possible that students already have their criteria for the brand of their choice, perhaps looking for a cheap and durable one, so that the brand image does not affect the brand equity of the premium tourist destination Labuan Bajo among students (Hien et al., 2020; Sasmita & Suki, 2015). The implication of this study is providing insight of development of the travel industry will continue, and according to the target if the obstacles in action can be limited and get support from various associations related to the theme of Labuan Bajo the travel. Industrial progress, the goal is to accelerate progress itself, the ability to plan finances and increase the value of profits from the presence of the Labuan Bajo travel industry.

This study also has limitations, the research targets used in this study only focused on one student, namely sure students who were in the Surakarta environment and had visited and utilized products and facilities from the premium tourist destination of Labuan Bajo, so there were limitations to generalizing. With these limitations, the results of this study cannot be used as a reference for measuring the brand equity of other tourist destinations. Data collection in this study was only based on the results of filling out the questionnaire, so there might have been fewer objective elements in the filling process, such as cheating on each other in filling out the questionnaire. For exploration in the future, researcher suggest that brand equity by involving a more comprehensive range of respondents, not only students. The questionnaires were distributed directly, and the respondents about filling out the questionnaire.

### 4. CONCLUSION

Based on the results of the analysis using multiple linear regression, it can be concluded that brand associations have a positive and significant effect on brand equity, brand loyalty has a positive and significant impact on brand equity, and brand awareness has no impact on brand equity and brand image has no effect on brand equity. Many students consider the premium tourist destination of Labuan Bajo in Surakarta as a tourist destination intended for the upper class with a high price; this is not a destination for students.

### 5. REFERENCES


