Analysis of Brand Equity Effect on Nu Green Tea Product

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ABSTRACT

This research aims at knowing the effects of the elements of brand equity, which consists of brand awareness, perceived quality and brand loyalty on the costumers' decision to buy the product of NU Green Tea in tea packaging product. This research is based on the condition where every people like in drinking tea packaging product. Especially Nu Green Tea as a pioneer in Green Tea packaging product. Based on research Nu Green Tea still control the market by reach 50% market share, PT ABC President Indonesia as the owner of Nu Green Tea product still believe that NU Green Tea has a become a market leader in tea packaging product. Theoretically, the condition can be induced by strong brand equity of the firm's product. This research is based on multiple linear regression analysis with qualitative approach research.

Keywords: Brand awareness, Brand Equity, Buying Decision.

1. BACKGROUND

The development of the current era requires a person to pay more attention to health, both in terms of consuming food and beverages are good for consumption. Demanding several companies engaged in the field of Consumer Goods to compete in creating products such as beverages and good food to be consumed for health, which has become an important part in the lives of consumers today. One of the trend is with the emergence of The Green NU tea according to research is very good for human health. It is known that all tea, especially green tea contains fluoride, a mineral that can prevent caries growth in the gig, preventing gingivitis and cavities. So, advised to always to drink tea after eating. Because the condition of the tooth often illustrates the condition of the heart. Green tea itself contains high doses of vitamin C and other vitamins in small amounts. The content of manganese contained in the green can help break down the sugar into energy, so it can help keep cave levels in the blood. In addition, green tea has a chemical compound that is very beneficial to human health. In addition to the fact that some research mentioned, green tea is widely

known as medicine for many other diseases such as various types of cancer, stroke, cardiovascular disease, gastrointestinal complaints, dental care, skin care, reducing blood sugar, preventing arthritis, preventing liver damage, as well as Weight loss.

Keep in mind as a pioneer of green tea in packaging born since 2005, Nu Green Tea made by PT ABC President Indonesia still maintains its share of the category in that category by grabbing its market share in that category by reaching 50% market share. According to Rena Lesmana, Brand Manager of Beverage PT ABC President Indonesia, when Nu Green Tea first penetrated the market, green tea RDT players are only around two or three players. Now, the market is seized by more than ten players. „However, when compared with black tea, green tea has only a portion of 20% of the total tea market in packaging. 80% of it is black tea, „he said.

Rena explained, by value, the RTD tea category grew above the industry's average growth of FMCG below 10%. However, the impact of fluctuations in the price of fuel oil (BBM) to make a number of prices of staples, not to mention the tea in the packaging, rising up. It makes the majority of consumers to prioritize the daily needs expenditure. "Thus, some consumer goods products are not a priority. Nonetheless, Nu Green Tea is not going to raise the price, "he admits. With the growing number of players, maintaining market share will be the focus of Nu Green Tea. Advocacy from consumers becomes absolutely necessary to keep them from docking to other hearts. Rena mentioned there are three things that Nu Green Tea focuses on in responding to market turmoil and increasing its brand awareness in the eyes of consumers.

Firstly, Nu Green Tea focuses on the intended consumers. Rena says, Nu Green Tea's consumer target is a 16 to 25 year old boy. However, young people who targeted Nu Green Tea is not just age, but that is psychographically follow the development of lifestyle or lifestyle. "From communication communication, Nu Green Tea strives to be a partner in life for young people. We are often involved in the sponsorship of the event of young people who smelled lifestyle, such as music events, culinary bazaars, and sports events that remain an element of joy, health and happiness " he said.

Secondly, the focus of the campaign in the digital sphere. With the nature of young people who can not get away from gadgets, Nu Green Tea is always present in every channel of social media favorite of young people, such as Twitter, Facebook, Instagram, and YouTube. Not only that, Nu Green Tea often promote in the online community of young people, such as Online purchase such as Kaskus. "We are investing in the digital realm, because the media matches our target market. Nevertheless, the largest budget is still on television and mass media. Because their price is much more expensive, "he said. This woman also said, as much as possible his party close to the consumer. One thing he does is to be a partner for restaurants, eating places, and hangout places that have customer profiles similar to Nu Green Tea's target audience.

Thirdly, focus on the product. Rena admitted, Nu Green Tea always do long research before deciding to launch a new product. He does not want his innovation to live only in the age of corn. Thus, this drink focuses on the size of the bottle 500 ml and 330 ml, although other players play in the size of glass and cardboard. Recognized Rena, that's what makes the sales team easy to penetrate the market.

As Kotler (2001: 357) notes, to outperform or win such a tight competition, it is necessary to establish a strong product identity through brand competition, given that competition is not only limited to the functional attributes of products, Especially for the wearer. It can be done by paying attention and maintaining the consistency of the company's product brand. Similarly, Brand is a product or service that

adds dimensions that in some way differentiate it from other products or services designed to satisfy the same needs (Kotler, 2001: 332).

Therefore, a brand must have high equity. Brand Equity is a set of brand assets and liabilities related to a brand, its name and its symbol, which add or subtract the value provided by a good or service to a company or its customers (Aaker 1997). Similarly Kotler defines brand equity as a positive differential effect generated by the knowledge of the brand name on the customer for the product or service. Brand Equity results in customers showing a preference for a product compared to others when both are essentially identical. One of the preferences that consumers pay attention to is the brand of the product. Because basically every person wants a product that can provide a high utility value for himself, so that if there are two or more identical products, then of course the brand becomes a differentiator and a reasonable thing if the consumer will buy one of the more branded products Reputable and best by the consumer. High brand equity provides a competitive advantage for the company. Since consumers expect the brand to be available in stores, the company has higher bidding power (Kotler, 2001: 358). High brand equity can also increase new consumer loyalty and retain old customers. So it is very important for companies to create high brand equity to win the competition. In an effort to create a high brand equity, it is necessary to consider the 4 main elements of brand equity, brand awareness, brand loyalty, brand association, and perceived quality) (Tjiptono, 2008). To that end, the four elements above need to be examined in a study on brand equity that helps the company in an effort to increase its brand equity.

2. LITERATURE REVIEW

2.1. Buying Decision

As Kotler (2001: 226) discloses, purchasing decisions are the stage in the buyer decision-making process in which the consumer actually buys the product. Purchasing decision is a consumer's decision to buy a product after previously thinking about whether or not worth buying the product by considering the information - information that he knew the reality of the product after he witnessed it.

The decision to buy taken by the buyer is actually a collection of decisions (Kotler, 2001: 226). Each purchase decision has a structure of seven decisions (Basu Swastha, 1996 in Wijaya, 2011), including: (a). Decision on the type of product (b). Decision on product form (c). Brand Decision (d). The decision about the seller. (e). Decision on the number of products (f). Decision on the time of purchase (g). Decision on how to pay for the brand.

Brand is one of the important attributes that exist in a product. With the existence of a brand on a product, it will obviously make a difference between the product with other products. This is because the brand will be one of the distinctive identity of a product.

According to Kotler (2001), a trademark is a name, term, symbol or design or combination of such matters intended to identify products or services produced by sellers or groups of sellers and distinguish them from competitors. More sharpened according to Tjiptono (2008) brand is a product that has been added with other dimensions that make the product different from other products equally designed to meet the same needs. These differences can be emotional and intangible that relate to what the brand expects to represent.

2.2. Brand Awareness

The awareness of a brand represents the presence of a brand in the mind of the consumer, also indicates a buyer's ability to recognize or recall a brand that has a key role in brand equity. Brand awareness is a very important element of equity for companies because brand awareness can directly affect brand equity.

As Aaker (1997) argues that brand awareness is the ability of a potential buyer to recognize or recall that a brand is part of a particular brand category. There are four different levels of consciousness: (a) Top of mind is the brand mentioned first by the consumer or that first appeared in the minds of consumers. (b) Brand recall is a spontaneous recall of the brand without any help (unaided recall). (c) Brand recognition is the minimal level of brand awareness in which the introduction of a brand appears again after the reminded back through aided (aided recall). (d) Unaware of brand is the lowest level in the pyramid of brand awareness in which the consumer is not aware of a brand even though it has been reminded with help.

Brand awareness is the ability of a prospective consumer Nu Green Tea product to recognize or recall that Nu Green Tea's product brand is part of the existing packaging tea product category. What is meant by brand awareness in this research is Nu Green tea brand power in the mind or consumer memory. Brand awareness indicators include:

1. The consumer's ability to mention the Nu Green Tea brand among other tea brands in packaging.

2. Consumers recall the outward appearance of the product, packaging colors, packaging forms, logos, brand names and others.

3. Consumers are well acquainted with Nu Green Tea products, be it company name, location to get product, product price and more.

4. Remember Nu Green Tea Products when people say Tea in Green Tea packaging.

H1: Simultaneously variable of brand equity element which includes brand awareness, influence significantly decision variable to buy NU Green Tea.

2.3. Brand Equity

There are many meanings in the concept of brand equity, in the financial perspective, the brand equity as the net present value (NPV) of future cash flows generated by a brand. In other words, brand equity is calculated on an incremental value above the value obtained by a product without a brand.

As Aaker (1997: 22) defines brand equity as a set of brand assets and liabilities relating to a brand, name and symbol that add or subtract the value provided by a good or service to a company or its customers. If the name and symbol of a mark are altered, in part or in all of the trademark's assets and liabilities, the resulting effect may result in a gain or loss to the enterprise.

Likewise Aaker (1997: 23) writes that brand equity can be grouped into five categories, namely: (a) Brand awareness. Brand awareness is the ability of a potential buyer to recognize or recall that a brand is part of a particular brand category. (b) Brand association. Brand associations are all impressions that come to mind in the mind of a person associated with his memory of a brand. (c) Perceived quality Perception

of quality is the perception of the consumer towards the overall quality or superiority of a product or service similar to the intended purpose. (d) Brand loyalty. It is the loyalty that customers give to a brand. (e) Other brand assets Other assets include patents, trade marks, access to markets, access to technology, access to resources, etc.

According to Kotler (2001), the four elements outside of other brand assets are known by the major elements of brand equity. The fifth brand equity element will be directly affected by these key elements. Companies will directly or indirectly build brand equity so that products in the form of goods or services offered to consumers are the right choice, because brand equity can add value. According to Simamora (2002) in Wijaya (2011), brand equity has the potential to add value in five ways: (a) It can strengthen the program of luring new consumers or re-embracing old consumers. (b) The last four dimensions of brand equity can reinforce brand loyalty. Quality perceptions, brand associations and well-known names can provide reasons to buy and may affect satisfaction of use. (c) Enabling higher profits by selling products at the optimum price and reducing reliance on promotions. (d) Can provide a basis for growth by means of brand extension. (e) May provide incentives for distribution channels.

Therefore Kotler states that companies that succeed in creating a good brand equity will gain a competitive advantage (Kotler, 2001: 357) the competitive advantage of high brand equity is: (a) The company will enjoy a smaller cost of marketing because of awareness and loyalty High consumer brands. (b) Companies will have a stronger position in negotiations with distributors and retailers because customers expect them to sell the brand. (c) The company may charge a higher price than its competitors because the brand is believed to be of high quality. (d) Companies are easier to launch brand extensions because they have high credibility. (e) The marks protect the company from fierce price competition.

Brand Equity needs to be built, because the stronger the equity of a brand, the more value added that can be obtained by producers and consumers. Brand equity (high brand equity) will provide several benefits for the company. Brand equity (high brand equity) will provide several benefits for the company.

Brand Equity Indicators, among others:

1. Consumers are able to see the identity of Nu Green Tea products.

2. Product suitability with Nu Green Tea product marketing activities.

3. Consumers desire to add new flavor from Nu Green Tea.

4. Consumer Confidence in selecting Nu Green Tea product as first choice.

H2: Individual Variable elements of brand equity that include brand awareness, brand equity effect on buying decision variables NU Green Tea.

2.4. Purchasing Decision

Purchasing decision is a consumer's decision to buy a product after previously thinking about whether or not worth buying the product by considering the information - information that he knew the reality of the product after he witnessed it. Indicators of buying decision include: (1). Consumers feel Nu Green Tea products are eligible to be selected. (2) Consumers feel Nu Green Tea according to their wishes and needs. (3) Consumer stability in buying Nu Green Tea. Accustomed to using Nu Green Tea products.

3. HYPOTHESIS

H1: Simultaneously variable of brand equity element which includes brand awareness, influence to decision variable to buy NU Green Tea.

H2: Individual Variable elements of brand equity that include brand awareness, brand equity effect on buying decision variables NU Green Tea.

3.1. Research Framework

To facilitate the research, the formulation of framework in this research is as follows:
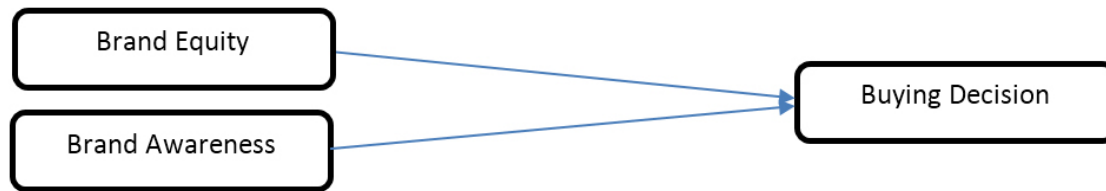
Source: Kotler 2001

The framework of the study describes the relationship of independent variables of Brand Awareness (X1), Brand Equity (X2), and to the dependent variable i.e., buying decision (Y).

4. RESEARCH METHODOLOGY

This research is qualitative in explaining the causal relationship of independent variables to the dependent variable, and then explain how this relationship occurs. This causal research to develop a research model that aims to test the research hypothesis that has been determined. In this study, the cause and effect relationship to be studied is between independent variables, namely Brand Equity to the dependent variable ie customer decisions. Then will be described or described how the causal relationship between the two types of variables.

Population and Sample: As the population in this study is a student of Budi Luhur University where the target market of Nu Green Tea Products and samples is limited to 100 respondents who are expected to represent the entire population. Sampling is Non Probability Sampling.

4.1. Data Resources

In this study the data sources used consist of (1) Primary data ie data obtained by distributing questionnaires directly to respondents taken directly by sampling technique using convenience sampling method, and (2) Secondary data, that is data obtained from Various sources such as journal, history and company development and other literature sources relevant to this research.

4.2. Analysis

Multiple Linear Regression: Multiple linear regression analysis is the method used in this analysis used to determine the prediction accuracy of the influence that occurs between several independent variables (X) on the dependent variable (Y) with the formula for multiple regression as follows:

$$Y = a + b_1X_1 + b_2X_2 + e$$

where, Y: Variable Buying decision. (X1): Variable brand awareness. (X2): Variable brand equity.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,908^a	,804	,889	1,62645

^{a}Predictors: (Constant), brand awareness, brand equity
^{b}Dependent Variable: buying decision
Source: Output SPSS

4.3. Data Analysis

Coeffiecient Determination: Based on the findings of the research data in the Summary Model table above, it can be clearly known that the percentage of buying decision users after influenced by the brand awareness (X1) and brand equity which can be seen in the adjusted R square column of 0,889 or $0,889 \times 100\% = 88,9\%$ and the remaining 11.1% is determined by other factors not as accurate as variables such as promotion, after-sales. Result of adjusted R square value equal to 0,889 or 88,9% after interpreted with table of interpretation guide of summary model hence result of research indicate that decision in buying NU Green Tea products are correlated with brand awareness and brand equity because value $0,889 > 0,51$.

Table 1: t Test
Coefficients^a

Model		Unstandardized Coefficients		t	Sig.
		B	Std. Error		
1	(Constant)	−3,888	1,375	−3.641	004
	Brand Awareness	448	986	4,848	000
	Brand Equity	163	037	4,356	000

^{a}*Dependent Variable:* Buying Decision
Source: Data 2017

Based on the partial test results (*t* test) contained in the above Coefficients table, it can be described as follows:

1. Brand Awareness is significant to correlate with the decision of buying NU Green Tea, because the result of *t* value is 4,848 and Sig. $0,000 < 0.05$.

2. Brand Equity significantly effect on buying decision of NU Green Tea, because result of *t* value count 4,356 and Sig. $0.009 < 0.05$.

Multilinear Regression Analysis:

Based on the results of multiple regression calculations, it can be made Multiple Regression Equation Formula:

Table 2
Multilinear Regression Analysis
Coefficients[a]

Model	*Unstandradized Coefficients*	
	B	*Std. Error*
(Constant)	−3,668	1,368
Brand Awareness	0,498	0,099
Brand Equity	0,389	0,918

[a]*Dependent Variable:* Customer Satisfaction
Source: SPSS

The multiple regression equations that have been found can be used to predict whether the value of the bound variable (Y) will occur when the value of the independent variable (X) is set. From the findings of research data in the table above coefficients, can be written multiple regression equation as follows:

$$Y = −3,668 + 0,498(X1) + 0,398(X2)$$

From the result of multiple regression equation above, can give explanation as follows:

The value of constants seen in the table above coefficients, obtained -3,668 which means that the value of regression value of buying decision of NU Green Tea is -3.668 without affected by variables brand awareness (X1), and brand equity (X2).

The value of regression coefficient brand awareness (X1) of 0,498 with positive sign (+) means that a 1 point increase in the brand awareness variable resulted in an increase in the variable of buying decision of NU Green Tea of 0,498.

The value of the brand equity regression coefficient (X2) of 0,389 with the positive sign (+) means that a 1 point increase in the brand equity variable resulted in an increase in the variable of buying decision of NU Green Tea of 0,389.

4.4. Data Interpretation Analysis

After conducting hypothesis testing and analysis of research data then can the authors interpret the results of research as follows:

The amount of buying decision by brand awareness (X1) and brand equity (X2), that is equal to 0,889 or 88,9% (Muijs, 2011: 166) the value of 0,889> 0,51 means that it belongs to the category of buying decision of NU Green Tea influenced is very strong, and the remaining 11,1% is determined by other factors not meticulous like variables such as promotion, availability of product, customer delight, customer satisfaction and quality of products, those variable were not research in this study.

5. CONCLUSION AND SUGGESTIONS

5.1. Conclusion

The results of this study are expected to contribute policy implications to the investors and potential investors as well as the government. This implication is considered very important because to overcome

the current consumer goods rights are often neglected by producers, whereby quality control of products must be under tight and strict surveillance. Consumer buying decision will remain loyalty when producers guarantee the safeness and health cautious of their products to retain consumers trust. Brand awareness and brand equity are two very important strategies to retain loyal consumer to remain loyal to NU Green Tea products. If the quality of products is standardized and controlled strictly by the government it will attract new consumers and excellent opportunity for investors both local investors and international investors so as to improve the investment climate in Indonesia.

5.2. Suggestions

For the extensiveness of the studies new variables must be included and explored for the benefit of the enrichment of this further studies.

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