

# THE INFLUENCE OF BRAND AWARENESS, PERCEIVED QUALITY, AND BRAND ASSOCIATION ON BRAND PREFERENCE (The Case Study of Samsung Galaxy S5 in Bandung 2014)

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## Abstract

This study explores some element of brand equity which is brand awareness, perceived quality, and brand association. In particular, the authors examine the effect of three element of brand equity on brand preference. Study conduct by taking a hundred users of Samsung Galaxy S5 in Bandung as respondent. Result revealed that brand awareness, perceived quality, and brand association affect the brand preference. It is recommended that company consider the improvement of brand awareness and perceived quality, and maintain the brand association of Samsung Galaxy S5 in order to increase the brand preference which lead into the increase of sales.

**Keyword:** brand awareness, perceived quality, brand association, brand preference

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## 1. Introduction

Developments, inventions, and rapid technological change, bring an opportunity and a challenge to the electronics development company in Indonesia. Competition becomes tighter than before, it is in line with the data obtained in Bandung if the sales of Samsung Galaxy S5 which is one of the most sought-after smartphone in Indonesia is decreasing within the past four months. Samsung which is including the number one company in the world have to survive and beat the competitor. This is believed that brand equity of the product itself must be contributed to the customer preference of Samsung Galaxy S5. The objective of this study is to give company a suggestion to overcome the problem and also this study were design to compare the theory and the reality exists.

Quantitative research was used in this study. A hundred users of Samsung Galaxy S5 in Bandung are giving their response through twenty one questions in questionnaire to represent the other users. The data was analyzed using path analysis and the sampling technique used is convenience sampling method this is in order to minimize the chance of the same person to be selected.

The paper is organised as follows. It opens with a brief, general discussion of brand awareness, perceived quality, brand association, and brand preference. The conceptual model and hypotheses are presented. The methodology is next described followed by the analysis and empirical findings. The paper then outlines the conclusions and suggestion.

## 2. Literature Review

### 2.1 Brand Awareness

According to Kotler and Keller (2012) Brand awareness is customers' ability to identify the brand under different conditions, as reflected by their brand recognition or recall performance. Brand awareness also define as the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category. (Aaker, 1991). Brand Awareness is related to the strength of the brand node or trace in memory, which we can measure as the customer's ability to identify the brand under different condition. (Grohmann in Keller, 2013)

### 2.2 Perceived Quality

Perceived quality is an intangible, overall feeling about a brand. However, it usually will be based on underlying dimensions which include characteristics of the products to which the brand is attached such as reliability and performance (Aaker, 1991). According to Keller (2013) Perceived Quality is customers' perception of the overall quality or superiority of a product or service compared to alternatives and with respect to its intended purpose.

## 2.3 Brand Association

Brand associations consist of all brand-related thoughts, feelings, perceptions, images, experiences, beliefs, attitudes, and so on that become linked to the brand node. We can think of marketing as a way of making (Kotler & Keller, 2012). Aaker (1991) define, brand association is anything “linked” in memory to a brand. The association not only exists but has a level of strength. A link to a brand will be stronger when it is based on many experiences or exposures to communications, rather than few. It will also be stronger when it is supported by a network of other links.

## 2.4 Brand Preference

Bohrer (2007) define brand preference as a consumer’s tendency toward a brand over various other brands based on the significant beliefs that the brand preferred would provide more benefit than the other brands at a given point in time. Preferences can be used by company to recognize the needs of consumers in order to obtain a product with a market orientation based on the level of consumer preference for each product attribute. Consumer preferences indicate consumer preferences from a wide selection of existing products. (Kotler, 2008)

## 2.5 Research Framework

This study used four variables, one dependent variable which is brand preference which taken from Bohrer (2007) and three independent variables of brand equity elements, from Aaker (1991). There are five elements of brand equity, but the author only uses three elements, which are brand awareness, perceived quality, and brand associations, because those are qualified and related to the topics.

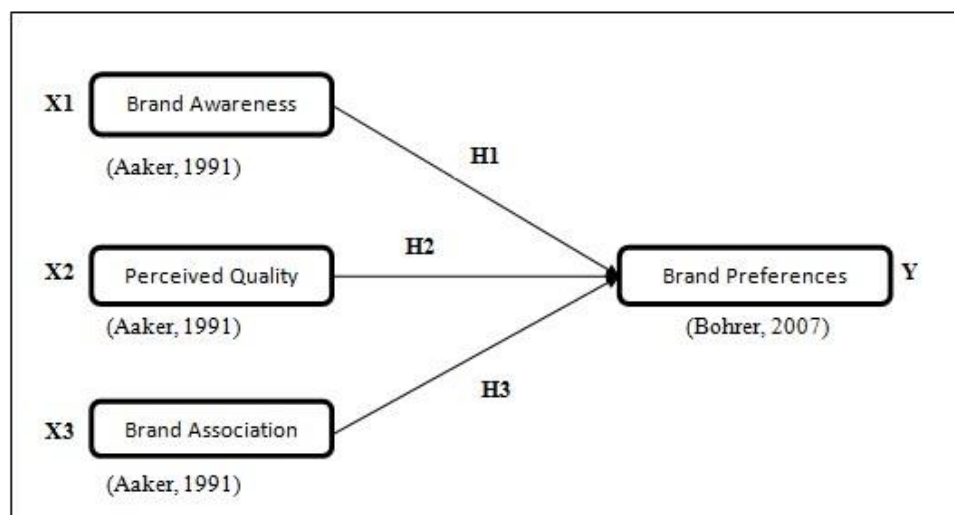


Figure 1. Conceptual Framework

## 2.6 Hypothesis

According Sekaran (2010) Hypotheses are derived from the theory on which your conceptual model is based and are often relational in nature. Based on framework that has been illustrated, the hypotheses of this study are as follows:

- H1. Brand Awareness has a positive influence on Brand Preference
- H2. Perceived Quality has a positive influence on Brand Preference
- H3. Brand Association has a positive influence on Brand Preference

## 3. Methodology

### 3.1 Research Type

Quantitative research methodology is applied in this research. Zikmund, et al (2010) defines quantitative business research as business research that addresses research objective through empirical assessments that involve numerical measurement and analysis approaches. Quantitative researchers direct a considerable amount of activity toward measuring concept with scales that either directly or indirectly provides numeric value. The numeric values can then be used in statistical computations and hypothesis testing.

### 3.2 Operational Variable

Independent variables are one that influences the dependent variable in either a positive or negative way (Sekaran, 2010). Independent variables in this research are three selected element of brand equity which consists of brand awareness (X1), perceived quality (X2), and brand association (X3).

According to Sekaran (2010) Dependent variable is the variable of primary interest to the researcher. Through the analysis of the dependent variable, it is possible to find answers or solution to the problem. Dependent variable in this research is brand preference (Y).

### 3.3 Measurement Scale

The scale used in this study is ordinal scale. Ordinal scale is a ranking scale in which number are assigned to objects to indicate the relative extent to which the objects possess some characteristic. Thus it is possible to determine whether an object has more or less of a characteristic than some other object. (Malhotra, 2010)

In this study, the measurement scale used is a Likert scale. Likert scale is a measurement scale with five response categories ranging from “strongly disagree” to “strongly agree,” which requires the respondents to indicate a degree of agreement or disagreement with each of a series of statements related to the stimulus object (Malhotra, 2010). Avoiding a bias because the respondent tend to choose an alternative that is in the middle, then it is used only 4 answer choices respondents by eliminating the “neutral” in the questionnaires.

### 3.4 Population and Sampling

Population in this research is Samsung Galaxy S5 user in Bandung who already has the experience of three month uses. It is because according to Samsung Bandung (2014) the time required for users to understand their smartphone is more or less three months.

Non Probability Sampling is used in this study, which is convenience sampling. Convenience sampling is suitable to be used in this research due to the elements that doesn't have the same chance to be selected. Based on Sekaran (2010) in convenience sampling, the most easily accessible members are chosen as subjects.

### 3.5 Data Analysis Technique

In this research path analysis is used as data analysis technique. According to Hair (2010) Path analysis is an approach that employs simple bivariate correlations to estimate relationships in a Structural Equation Modeling (SEM) model. Path analysis seeks to determine the strength of the paths shown in path diagrams. Path diagrams are the basis for path analysis, the procedure for empirical estimation of the strength of each relationship (path) depicted in the path diagram. Path analysis calculates the strength of the relationships using only a correlation or covariance matrix as input.

## 4. Discussion

This study used three variables as the independent variable which are; Brand Awareness, Perceived Quality, and Brand Association, and one variable as the dependent variable which is Brand Preference.

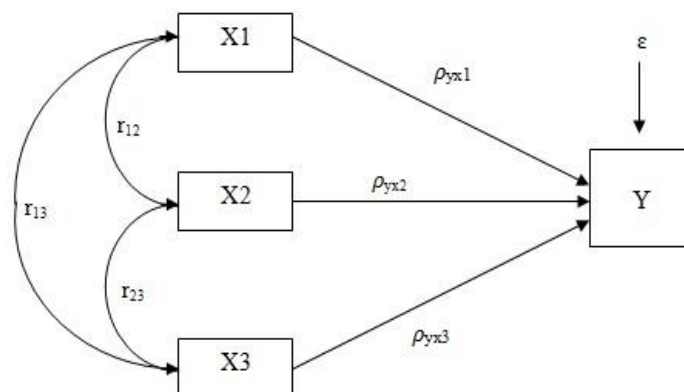


Figure 2. Path Diagram

Table 1. Direct, Indirect, and Total Influence

Variable	Direct Influence	Indirect Influence			Total Influence
		X1	X2	X3	
X1	2.1%	0	3.1%	7.6%	12.8%
X2	6.2%	3.1%	0	13.8%	23.1%
X3	34.5%	7.6%	13.8%	0	55.9%
Total Influence					91.8%

81.625% obtained for brand awareness, this is categorize as the very good with four indicators as a measurement. According to the partially hypothesis testing the independent exogenous brand awareness affecting endogenous brand preference variable by 14.3%, and in the total brand awareness contribute 12.1%.

For perceived quality the percentage obtained is 80,5% and this is categorize as good in the continuum line. Based on the partially hypothesis testing the independent exogenous perceived quality affecting endogenous brand preference variable by 24.9%, and in the total Brand Awareness contribute 23.1% which is 3.1% through brand awareness (X1) and 13.8% through brand association as the X3. Based on correlation analysis brand awareness support other two variables and give the positive influence to the brand preference.

In case of Brand Association for the total, the researcher obtained 80.46% and this is including in good category. Based on partially hypothesis testing the independent exogenous brand association variable affecting endogenous brand preference variable by 58.8% and in total, brand association gives an influence on brand preference by 55.9%.

## 5. Conclusion

Simultaneously, brand awareness, perceived quality, and brand association together influence brand preference significantly. It can be seen from the F count that obtains 358.161, which is  $> 2.699$ , and also the sig. is 0.000 which is  $< 0.05$  as a significant level. The value of R-square ( $R^2$ ) in the table is .918, and based on the considerations, it can be concluded that it has a significance level of influence of the independent variable exogenous Brand Awareness, Perceived Quality, and Brand Association, on Brand Preference simultaneously. The value above illustrate that the Brand Preference variable is affected 91.8% by Brand Awareness, Perceived Quality, and Brand Association and the rest 8.2% is influenced by other variables out of this study.

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