THE EFFECT OF BRAND EQUITY OF TELECOMMUNICATION SERVICES TOWARDS CUSTOMER SATISFACTION IN JABODETABEK AND WEST JAVA

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ABSTRACT

Telecommunications, also known as telecom, is the exchange of information over significant distances by electronic means and refers to all types of voice, data and video transmission. Nowadays, peoples are getting more concern about their needed. The firm has to know what customer want, what the customer needed. The firm cannot keep selling what they want but they have to fulfill the needed of their customer. In telecommunication sector the competition is very tough, people prefer the well-known brand so it is necessary for companies to know the how significantly the brand equity influence the repurchase decision of consumer and the satisfaction of the consumer. Indonesian people are common to change their card to get the cheapest price of the internet data that the provider gave.

The purpose of this study is to investigate the effect of Brand Equity towards Customer Satisfaction in telecommunication services in Jabodetabek and West Java. The total questionnaire items used in this research are 29 items with the sample taken as many as 400 respondents. The independent variable in this research is Brand Equity and the dependent variable is Customer Satisfaction which will be measured by Multiple Linear Regression and Simple Linear Regression Analysis. This research used non probability and convenience sampling technique.

The results gained is Brand Equity simultaneously influence Customer Satisfaction. Brand Equity influence Customer Satisfaction by 63.5%

Keywords: *Brand Equity, Customer Satisfaction, Telecommunication Services.*

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1. Introduction

The concept of brand equity was presented in marketing literature in the 1980's. Later this got the vital importance practitioners and academicians [1]. The formation of the concept of brand equity is based on the perceptions of consumers toward a specific brand, which might have a dependence upon various factors, out of them brand can be considered as one factor for a brand to have a value it is compulsory that it must be value by consumer. The power of brand lies in what consumer have felt, heard, seen and learned about the brand over the time as the result of their experiences about the brand [2].

To fully understands the concept of brand equity we need to carefully examine its sources. The contributing factor in the formation of brand equity in mind of the consumer. Normally most common constructs which lead to brand equity or brand loyalty, perceived quality, brand awareness, brand association. Brand equity is an intangible value that accrues to a company as a result of its successful efforts to establish a strong brand. Customer satisfaction and brand equity are such relevant aspects of marketing's contribution to the firm's profitability [3].

Understanding customer satisfaction could be considered as the fundamental principle of this research work. The definition of customer satisfaction given by [4]. Says that it is predetermined by how the expectations of the customer are met. Companies are very keen in promoting brands and creating strong brand value to display their goods and maintain its position in highly a competitive environment so brand equity is a factor to gain this.

## 2. Literature Review and Research Methodology

2.1 Brand Equity

Brand equity is the added value endowed on products and services. It may be reflected in the way consumers think, feel, and act with respect to the brand, as well as in the prices, market share, and profitability the brand commands [5].

2.2   Customer Satisfaction

In the competitive telecommunication industry, customer satisfaction is considered as the key to success [6]. However, customer satisfaction is not static in nature. Companies can't feel safe with their presently "appeared to be satisfied customers". Rather companies need to know how to keep their customers consistently satisfied because satisfied customers may look for better services elsewhere. Again, some customers may not switch because of the unavailability of better service to other service providers but actually they are not those of the satisfied customers [7].

2.4   Theoretical Framework

In this theoretical framework Author replicate the framework that has been use by Ahmad and Sherwani in their research.
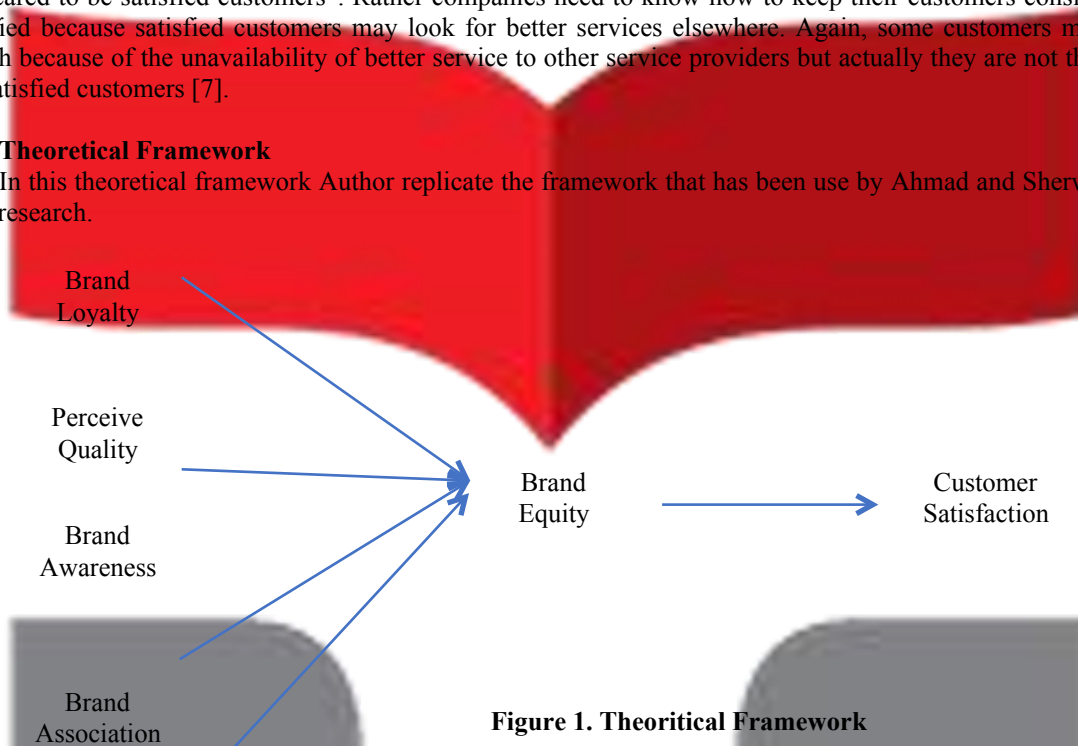
Figure 1. Theoritical Framework

3.   Research Methodology
3.1   Research Characteristic & Sampling Technique

This Research is using quantitative method. Quantitative method is a scientific method because it has mer the scientific rules such as concrete/empirical, objective, measurable, rational, and systematic [sugiono]. The sampling technique used in this research is non probability sampling, while the type of non probability sampling used is convenience sampling.

3.2   Data Collection Process

The data were gathered the online questionnaire which come from 400 respondent all over Jabodetabek and West Java.

3.3   Data Analysis

This research is using spss 20, Multiple Linear, and Simple Linear Regression for analyzing the data.

4.   Results and Discussion
4.1   Characteristic of Respondent

The data were collected from 400 respondent from Jabodetabek and West Java and classified into several categories as follows:

4.1.1 Age
The respondent characteristic dominated by respondent that has 20 – 25 years old with the percentage of 33,50% or equals to 134 person. For the lowest percentage is 45 – 50 years old with 6,25% or 25 person.

4.1.2 Gender
Male respondents dominate the total respondent which is there are 214 male respondents out of 400 respondents. Rest of the respondents are female respondents with 186 respondents.

4.1.3 Domicile

The biggest respondent domicile has to be in Bandung and Jakarta with the percentage of 28,00% and 26,75% or equals to 112 and 107 person. On the other hands the lowest percentage is held by Sukabumi which has 1,25% or equals to 5 people.

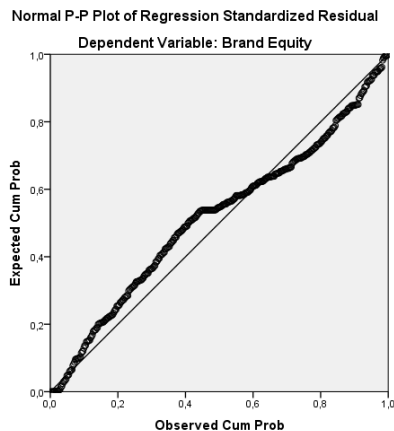## 4.2   The Result
4.2.1 Normality test

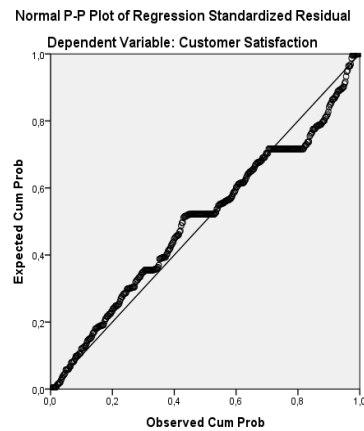Figure 2. Graph of Normality Test
Source: processed data

Figure 3. Graph of Normality Test
Source: processed data

It shows that the data is spread around the diagonal line which means that the residual data is normally distributed. According to Indrawati (2015:190), if the data spreads around the diagonal line and it follows the diagonal line direction or the histogram graph shows the normal distribution pattern, then the reggression model meet the normality assumption

4.2.2   Multiple Regression Analysis

Table 1. Multiple Regression Analysis Test

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	,377	,523		,721	,471
	Brand Loyalty	,311	,047	,275	6,647	,000
	Perceive Quality	,034	,063	,027	,541	,589
	Brand Awareness	,271	,052	,304	5,171	,000
	Brand Association	,332	,058	,321	5,684	,000

a. Dependent Variable: Brand Equity

Source: processed data

$$Y' = a + \beta_1 X_1 + \beta_2 X_2 + \ldots + \beta_n X_n$$

Brand Equity = 0,377 + 0,311 Brand Loyalty + 0,034 Percieve Quality + 0,271 Brand Awareness + 0,332 Brand Association

The constant value of Brand Equity Variable (Y) is 3.77, there is no changes in neither brand loyalty variable (X_1) perceive quality variable (X_2) brand awareness (X_3) brand association (X_4) that affect the value of a. The value of a is still 3.77.

The value of X_1 combined with regression coefficient value of 0,311 it means that if the variable X_1 has increased one unit, then variable Y value will increase to 0,311 unit.

The value of X_2 combined with regression coefficient value of 0,034 it means that if the variable X_2 has increased one unit, then variable Y value will increase to 0,034 unit.

The value of X_3 combined with regression coefficient value of 0,271 it means that if the variable X_3 has increased one unit, then variable Y value will increase to 0,271 unit.

The value of X_4 combined with regression coefficient value of 0,332 it means that if the variable X_4 has increased one unit, then variable Y value will increase to 0,332 unit.

4.2.3   Simple Regression Analysis

Table 2. Simple Regression Analysis Test

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,908	,416		6,986	,000
	Brand Equity	,647	,025	,797	26,262	,000

a. Dependent Variable: Customer Satisfaction

Source: processed data

$Y' = a + \beta_1 X_1$

Customer Satisfaction = 2,908 + 0,647 Brand Equity

Based on the above equation, the authors conclude that if the constant value (a) is 2,908 it means that if there is no brand equity, the customer satisfaction is 2,908. The regression coefficient (b) is 0.647.

4.2.4   F Test

Based on regression analysis results can be seen that the independent variables influence simultaneously to brand equity. This can be proven from the value of F is 0.000 is smaller than the level of significance that is equal to 0.05 as shown in table 3 as follows:

Table 3. The Result of Regression F Test

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4876,837	4	1219,209	246,792	,000^b
	Residual	1946,450	394	4,940		
	Total	6823,287	398			

a. Dependent Variable: Brand Equity

b. Predictors: (Constant), Brand Association, Brand Loyalty, Perceive Quality, Brand Awareness

Source: processed data

4.2.5   T Test

With the significance level taken, in this case 0.05. If the value t > 0.05 then variable independent effect on the dependent variable.

Table 4. The Result of Regression T Test

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,377	,523		,721	,471
	Brand Loyalty	,311	,047	,275	6,647	,000
	Perceive Quality	,034	,063	,027	,541	,589
	Brand Awareness	,271	,052	,304	5,171	,000
	Brand Association	,332	,058	,321	5,684	,000

a. Dependent Variable: Brand Equity

Source: processed data

Table 5. The Result of Regression T Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,908	,416		6,986	,000
	Brand Equity	,647	,025	,797	26,262	,000
a. Dependent Variable: Customer Satisfaction						

Source: processed data

It can be seen that brand equity have significant influence to customer satisfaction. This is because the t value (26,262) is bigger than the t table level of 0.05 (1.649).

4.2.6   Coefficient of Determnation
The value of R2 which is close to one signifies an independent varaibels giving almost any information required by dependent variable

Table 6. Value of Coefficient Determination

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,846[a]	,716	,713	2,21805

a. Predictors: (Constant), Brand Association, Brand Loyalty, Perceive Quality, Brand Awareness

Source: processed data

From the calculation results obtained by the magnitude of the influence of variables independent to the dependent variable which can be explained by this equation model is equal to 71,6% and the rest equal to 28,4% influenced by Other factors are not included in the regression model.

Table 7. Value of Coefficient Determination

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,795[a]	,633	,632	2,03178

a. Predictors: (Constant), Brand Equity

Source: processed data

From the calculation results obtained by the magnitude of the influence of variables independent to the dependent variable which can be explained by this equation model is equal to 63,3% and the rest equal to 36,7% influenced by Other factors are not included in the regression model.

5.   Conclusions and Suggestion
5.1   Conclution

Based on the results and analysis of this research, the authors draws some conclution to answer the research questions as stated on the Chapter 1, the conclutions are:
1. The consumer's assessment of factors based on the framework model towards the effect of brand equity of telecommunication services towards customer satisfaction in Jabodetabek and West Java is in the high and strong level which is above 68%. The details are:

a.   Brand Awareness, the consumer's assessment is 75%.
b.   Brand Association, the consumer's assessment is 74%.
c.   Percieve Quality, the consumer's assessment is 73%.
d.   Customer Satisfaction, the consumer's assessment is 73%.
e.   Brand Equity, the consumer's assessment is 72%.

f. Brand Loyalty, the consumer's assessment is 71%.

2. Based on the result of this research, Brand Equity of consumers towards telecommunication services in Jabodetabek and West Java is 72% (high). It means that there is a high level where a brand equity of a telecommunication services is important for a consumers to see.

3. Based on the result of this research, that a brand loyalty has a significant direct effect to the brand equity. So it means that the value of a brand to an organization depends on the loyalty of the customers which in turn can generate profit.

4. Based on the result of this research, that a perceive quality has no significant direct effect to the brand equity. It means that perceive quality is an item that not on the top priority to make a brand equity better.

5. Based on the result of this research, that a brand awareness has a significant direct effect to the brand equity. Brand awareness is linked as strength of the brand in the minds of consumers, which provide firm's with a value that can be used in future to attract and promote products or services.

6. Based on the result of this research, that a brand association has a significant direct effect to the brand equity. A strong, positive associations help to strengthen brand and the equity that is carried into a leverage situation if affected by the types association made with the brand.

7. Based on the result of this research, that a brand equity has a significant direct effect to the customer satisfaction. With the dimension that brand equity have it will affect the customer perception of the brand and make them more satisfy with the services.

5.2 Suggestion

5.2.1 Suggestion for Company

From the results of this research, telecommunication services management is expected to be able to point out and identify factors inside the framework model towards the effect of brand equity of telecommunication services towards customer satisfaction in Jabodetabek and West Java. Telecommunication services management could make a priority which factors needed to be concerned for the further products and marketing business strategy developments. Therefore, telecommunication services management will understand more what consumer's preferences are. Below are the suggestions for telecommunication services management based on the factors that has a significant influence to brand equity towards customer satisfaction:

1. Brand Awareness

This research has found that the most significant factor from the framework

model that influences the brand equity towards customer satisfaction of telecommunication services is brand awareness. This factor has become the first priority factor. It means, to make a strong brand the first thing to do is to make the consumer aware of the brand. For instant make an advertisement that really unique so it can linger in peoples mind.

2. Brand Association

The second factor that influences the brand equity towards customer satisfaction of telecommunication services is brand association. Brand should be associated with something positive so that the customers relate a brand to being positive. So its like a brand should keep their performance at the top so people will always think that this brand is a good one. Because if someone already use a brand and they feel comfortable with the services they will keep using it.

3. Brand Loyalty

The third factor that significantly influences the brand equity towards customer satisfaction of telecommunication services is brand loyalty. The tendency of some consumers to continue buying the same brand of goods rather than competing brands. It means that a brand should make the consumer's feels satisfy

with the product and services that a brand give to them, and also always taking care with all the problem that commonly accrued. Because people in this era always concern with what they get and is that worth it or not, so at least make the services in a good quality with slightly different price that can compete the other brand. Moreover, loyalty can get a chance to company to react against threats such as competition because as consumers become loyal to a brand they become less sensitive to a price increase because of the product's ability to satisfy their needs.

5.2.2 Future Researcher

For future researcher, to deepen the effect of brand equity in a single company, and the dependent variable can be added with another subject like purchase decision, purchase intention, and etc. More variable can be combine such as, brand image, service quality. So that the result can be related to not only brand equity and customer satisfaction.

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