

The Effect Of Brand Equity On Customer's Retention Top White Coffee In Bandar Lampung

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ABSTRACT

The purpose of this research is to know the effect of brand equity on top white coffee customer retention in Bandar Lampung. Analyser that is used in this research is validity and reliability test, classical assumption test included normality test, heteroskedasticity test, and multicollinearity test. A statistical tool that is used is multiple linear regression analysis and hypothesis test consisting of test coefficient of determination (R^2), F test and t-test. The dependent variable in this research is customer retention. While the independent variables in this research are brand awareness, quality perception, brand association and brand loyalty. The type of research is descriptive. The population in this research is the people of Bandar Lampung city by the taking sampling technique using incidental sampling technique with the number of samples as much as 161 people. The results of research show that simultaneously brand awareness, quality perception, brand association and brand loyalty together significantly influence customer retention. On the other hand, partially brand awareness and quality perception do not have a significant effect on customer retention. Meanwhile, brand associations and brand loyalty have a significant effect on customer retention.

Keywords: *Brand Equity, and Customer Retention.*

1. Introduction

Along with the increasing desires and needs of diverse consumers, business competition faced by companies increasingly stringent, especially companies engaged in industries that produce goods that are often purchased by consumers ie food, beverages, and so on. One of the items often purchased by consumers, especially the people of Indonesia is coffee. Drinking coffee has become a culture for the people of Indonesia. Kopi or tea has become a core dish to start the day for most people this country. This causes the level of coffee consumption of Indonesia is getting higher, making the market for coffee products growing. Belakangan this type of coffee products varied, ranging from instant coffee to coffee plus a variety of flavors. The large variety of milk coffee products from various

companies circulating in the market shows that the growth of milk coffee market has increased. Here is a list of the best top brand awards can be seen in the table below.

From the table above can be seen clearly that from year to year which became the market leader in the market this category is white coffee Luwak. Luwak white coffee is a new product of kopi luwak with many variants of the latest coffee. The second position occupied by ABC white coffee then followed by Top white coffee products. As the third holder of Top White coffee has a chance to penetrate the market in Indonesia to continue to compete with similar products that are currently in Indonesia quite a lot.

Table 1. Top Brand Award Data

Merk	TBI		
	2015	2016	2017
Luwak White Koffie	72,5%	74,2%	68,5%
ABC White Coffee	10,5%	9,1%	15,3%
TOP White Coffee	8,3%	5,4%	5,4%
Kapal Api White Coffee	3,0%	2,5%	2,9%

Source: TopbrandAward.com,2017

Top white coffee is one of the brands marketed by PT. Wings Food. In the top white coffee, marketing sold 2 free 1. To attract more resellers, each carton bonuses 4 pieces of glass and there is a gift coupon scattered in each packaging. In addition, its products were sold with the system periodically. Not only that, various ways have been done to retain customers and make customers loyal to top white coffee products. To be a market leader in white coffee products must build branding and have high brand equity.

Brand equity is the added value given to products and services (Kotler and Keller, 2008: 334). This value can be reflected in the way consumers think, feel, and act on the company's brand, price, market share, and profitability. The elements contained in brand equity include brand awareness, perceived quality, brand association, brand loyalty and other proprietary brand assets, In this study, the elements used by the researcher are brand awareness, perceived quality, brand association, and brand loyalty without using

other proprietary brand assets asset) because the researcher only sees the concept of brand equity from consumer perception while the other proprietary brand assets are brand equity components that are more likely to be viewed from company perception.

To build a brand, wings food tries to advertise on the television media. White coffee boards use Iwan Fals's image fame as a brand ambassador, Iwan Fals is a true Indonesian artist. A ballad singer who became one of the living legend Indonesia. Lewat his songs, he

describes the social atmosphere of life of the people of Indonesia. In the ad, he tried to invite the people of Indonesia to love top white coffee. Various efforts have been made by top white coffee but have not affected its sales. Based on the description above, the authors intend to conduct a deeper study of the problem with the title thesis "EFFECT OF BRAND EQUITY TO CUSTOMER RELATIVE TOP WHITE COFFEE IN BANDAR LAMPUNG".

Literatur Review

1. Brand Equity

Brand equity is a value added to products and services (Kotler & Keller, 2008: 334). In Adam (2015: 134) Aaker defines a brand equity as a set of assets and liabilities associated with a brand, its name, and its symbol, which add or subtract the value of a given product or service to the company and or its customer. This value can be reflected in the way consumers think, feel, and act on the company's brand, price, market share, and profitability. Brand equity is also a brand value, based on whether it has a high degree of loyalty, a famous name, a distinctive quality, a strong brand association, and other assets such as patents, trademarks and channel relationships (Supranto & Limakrisna, 2011: 83)

In Tjiptono (2016: 134), Aaker grouped the elements of brand equity into five categories:

- a. Brand Loyalty, namely the level of attachment (attachment) a consumer on a particular brand.
- b. Brand Awareness reflects the consumer's ability to recognize or remember that a

- brand is a member of a particular product category.
- c. Perceived Quality (Perceived Quality) is the assessment of the consumer to the superiority or superiors of the product as a whole.
 - d. The brand association reflects everything associated with a memory of a brand.
 - e. Proprietary brand assets concerning other matters that have potential to become brand assets, such as trademark protection.

Brand-based customer equity can be defined as the difference in the impact of brand knowledge on consumer responses to brand marketing. Certain brands are said to have a customer-driven brand equity that is positive when consumers react more favorably to a particular product and how products are marketed and identified when compared to when the brand has not been identified. (Kotler & Keller, 2008: 335).

2. Customer Retention

Customer retention is a form of loyalty associated with loyal behavior measured based on consumer buying behavior as indicated by the high frequency of consumers buying a product. Meanwhile, loyalty itself refers more to a loyal attitude measured by the components of attitudes, beliefs, feelings, and the will to make a purchase (Buttle 2007: 4).

The result of Verhoef 2003, research shows that the results show that affective commitment and loyalty programs provide economic incentives positively affect both customer retention and customer development, whereas direct mailings influence customer share development. However, the effect of these variables is rather small. The results also

indicate that firms can use the same strategy to affect both customer retention and customer share development.

3. Objective and Benefits

In this study aims to determine the effect of brand equity on top white coffee customer retention in Bandar Lampung. The results of this study can be used by companies to develop existing brand equity so as to compete with competitors.

2. Research Method

This research method is Descriptive research. The population in this study is the people of Bandar Lampung in 6 places which include Café Lamban Bucakap which is located in Jl. Sultan Agung Line 2 Way Halim Bandar Lampung, Café Brown which is addressed at Jl. Captain Abdulhaq No.30 Rajabasa Bandar Lampung, Warung Kopi 7 Brothers addressed on Jl. Panglima Rajabasa Bandar Lampung, Gambreng Coffee Shop which is addressed on Jl. Yos Sudarso Waylunik Bandar Lampung, Kantin Pakde Tikno which is addressed at Jl. Wala Sakti Way Gubak Sukabumi Bandar Lampung. Kantin Teteh which is addressed at Panjang, Bandar Lampung.

The number of samples is determined by counting the average number of visitors per day as much as 3750 and then using the table Isaac and Michael obtained the number of samples 315 and questionnaires are filled correctly as much as 161 which finally the researchers only calculate the number of questionnaires in the content correctly. Further, there were two steps well conducted; the first one is to test the validity and reliability of the instruments used, and the second one is to test the classical assumption for determining the feasibility of the model.

3. Discussion

Based on the research results obtained the description of respondents as follows:

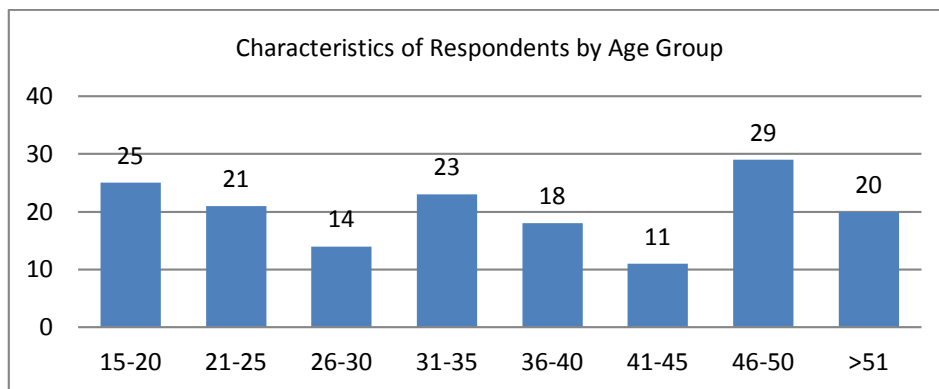


Figure 1 : Characteristics Of Respondents By Age Group

Based on the graph it can be seen that the respondents most aged 46-50 years, the respondents who come to this coffee place said often come to the place of coffee even just to

drink a glass of coffee and meet with their colleagues. The largest segment is also shown in the age range of 46-50 years.

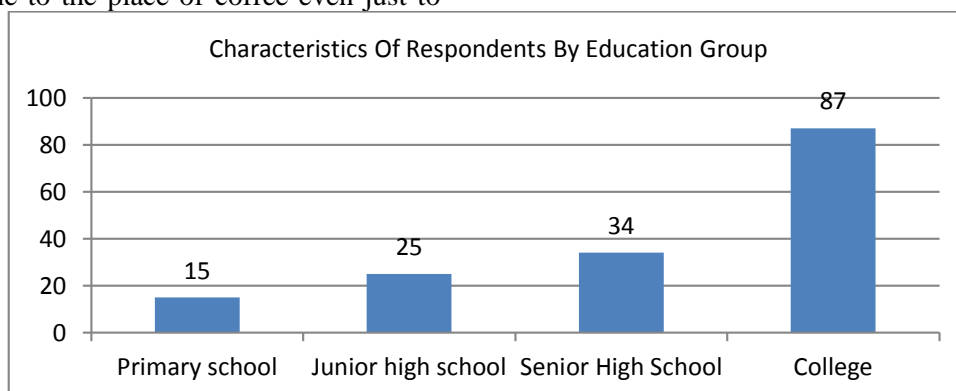


Figure 2. Characteristics Of Respondents By Education Group

Based on the graph, it is known that the level of education of most respondents in the lecture level is 54 percent. The respondents in this

study on average are the workers who are around the research site. Berdasar

In this study obtained the results of multiple linear regression coefficients as follows.

Table 2. Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2,800	2.107		1,329	.186
brand awareness	.086	.107	.074	,837	.404
Perception of quality	,108	,123	,069	,881	,380
Brand association	,575	,158	,270	3,633	,000

Product quality	.275	.102	.259	2,685	.008
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Dependent Variable: Customer retentions

Source: primary data processing, 2017

Based on the above table obtained the regression equation is as follows:

$$Y = 2,800 + 0,086 (X1) + 0,108 (X2) + 0,575 (X3) + 0,275 (X4) + e$$

From the above linear regression equation, can be described as follows:

- 1) The constant value of 2,800, meaning if brand awareness (X1), quality perception (X2), brand association (X3) and brand loyalty (X4) are considered constant then the value of customer retention (Y) is 2,800.
- 2) Regression coefficient Brand Awareness value is 0.086 means if brand awareness (X1) has increased, then customer retention (Y) has increased by 0,086 or 08,6%.
- 3) The regression coefficient of perception of quality value is 0.108, it means that if quality perception (X2) has increased, then customer retention (Y) has increased by 0,108 or 10,8%.
- 4) The coefficient of regression of brand association is 0.575, which means that if the brand association (X3) increases, then the customer retention (Y) increases by 0.575 or 57.5%.
- 5) The regression coefficient of brand loyalty is 0.275, meaning if brand loyalty (X4) has increased, then customer retention (Y) has increased by 0,275 or 27,5%.

variable. This test is done to compare between F count with F table. Data is said to affect together if F calculates greater than F table. On the contrary, if the value of F count smaller than F table then declared together have no effect.

From the table above can be seen that the F count of 14.159 > F table of 2.43 with sig 0,000 < sig value 0.05 then it can be said that all independent variables including brand awareness, quality perceptions, brand associations and brand loyalty together affect the dependent variable that is customer retention.

The hypothesis of this study suggests that there is a brand equity effect on top white coffee customer retention simultaneously. F test is used to test whether the independent variable simultaneously affects the dependent

Table 3. ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	214,367	4	53,592	14,159	,000 ^b
	Residual	590,453	156	3,785		
1	Total	804,82	160			

a. Dependent Variable: Customer Retentions

b. Predictors: (Constant), brand awareness, Perception of quality, Brand association, Product quality Source: primary data processing, 2017

Based on table 2 the results obtained t test as follows:

- 1) The value of t count on Brand Awareness variable (X1) is 0.837 with a significance level of 0.404. Because t count 0,837 <value t table equal to 1,654 and level of significance 0,404> significance value α : 0,05 hence Ho accepted and Ha rejected. So it can be concluded that Brand Awareness variable has no effect on customer retention.
- 2) The value of t count on the variable of Quality Perception (X2) is 0.881 with a significance level of 0.380. Because t count 0,881 <value t table equal to 1,654 and significance level 0,380> significance value α : 0,05 hence Ho accepted and Ha rejected. So it can be concluded that Quality Perception variable has no effect on customer retention.
- 3) The t value of the Brand Association variable (X3) is 3.633 with a significance level of 0.000. Because t count 3.633 > t table value of 1.654 and significance level 0.000 <of significance value α : 0.05 then Ho is rejected and Ha accepted. So it can be concluded that Brand Association variables affect customer retention.
- 4) The value of t count on Brand Loyalty variable (X4) is 2.685 with a significance level of 0.000. Because t count 2.685 > t table value of 1.654 and significance level 0.008 <significance value α : 0.05 then Ho is rejected and Ha accepted. So it can be concluded that the variable Customer Loyalty effect on customer retention

In this study, based on the results of tests conducted by the authors obtained the following results.

1. The Effect of Brand Equity on Customer Retention

This study aims to determine the effect of brand equity simultaneously on customer retention. The results of the F test of 0.000 <0.05 indicate that the brand awareness (X1), quality perceptions (X2), brand association (X3) and brand loyalty (X4) simultaneously affect customer retention. This supports previous research conducted by Hardian Hanggadhika (2010) which suggests that all independent variables such as brand awareness, quality perceptions, brand associations and brand loyalty jointly influence purchasing decisions.

2. The Effect of Brand Awareness on Customer Retention

Based on the test partially obtained the result of the awareness variable Brand is the value of t count on the Brand Awareness variable (X1) is 0.837 with a significance level of 0.404. Because of t count 0.837 <value t table of 1.654 and significance level of 0.404> significance value α : 0.05 then stated brand variable has no effect on customer retention. This does not support the results of previous research by Hardian Hanggadhika (2010) which states that brand awareness has a positive and significant impact on purchasing decisions. This research shows that the people of Bandar Lampung have not been able to recognize, considering the model of the top white coffee, as well as considering the promotion

that has been displayed by top white coffee in various media especially on television.

3. The Effect of Quality Perception on Customer Retention

In the perception of quality variables obtained the result that there is no influence from the variable perception of quality to customer retention variable with the value of t arithmetic of $0.881 > t$ table value of 1.654 and significance level $0.404 > 0.05$ significance. This shows that the perception of quality does not support the results of previous research by Hardian Hanggadhika (2010) which states that the perception of quality significantly and positively influences the purchase decision. This is because the percentage of respondents' answers less agree on table .2 on items 3 and 4 larger than other items. This means that people have not felt the comfort and appearance of Top White Coffee have not been in accordance with the taste of the people of Bandar Lampung

4. The Influence of Brand Associations on Customer Retention

In this study from multiple linear regression analysis the value of the brand association regression coefficient of $0,575$, meaning if the brand association (X_3) has increased, then the customer retention (Y) has increased by 0.575 or 57.5% . Then obtained the brand awareness variable with the value of t count $3.633 < t$ table 1.654 and significance $0,000 < 0.05$. Then H_0 is rejected and H_a accepted, it can be concluded that the brand association significantly influence customer retention. The results of this study support research conducted by Hardian Hnggadhika (2010). This shows that the brand association creates a good brand credibility in the minds of people of Bandar Lampung because it has a good quality, affordable price and easy to find.

5. The Influence of Brand Loyalty To Customer Retention

The partial hypothesis states that the results of brand loyalty variable are the value of t arithmetic $2.685 > t$ table value of 1.654 and the significance level of $0.008 < \text{significance value } \alpha: 0.05$ then H_0 rejected and H_a received positively and

significantly affect the customer retention top white coffee in Bandar Lampung. This supports the results of previous research conducted by Hardian Hanggadhika (2010) which states that brand loyalty has a positive and significant impact on purchasing decisions. The results of this study indicate that the level of attachment of the people of Bandar Lampung to the top white coffee brand is so high that customers in Bandar Lampung will continue to make purchases and recommend the top white coffee brand.

4. Conclusion

Based on the results of the above analysis and discussion, it can be concluded that is as follows. The influence of brand equity on top white coffee customer retention in Bandar Lampung is very influential simultaneously. But partially there are two variables that have no effect on customer retention are brand awareness variable and quality perception variable. The cause is the people of Bandar Lampung have not been able to recognize, considering the model of the top white coffee, as well as considering the promotion that has been displayed by the top white coffee in various media, especially on television and the public has not felt the comfort and appearance of Top White Coffee not in accordance with the tastes of people Bandar Lampung

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