

# The Impact of Brand Awareness, Brand Association, and Perceived Quality towards Brand Loyalty (A case study of New Product)

*Silvia Dewi Sagita Andik<sup>1\*</sup> Annisa Fitri Rachma<sup>1</sup>*

<sup>1</sup>College of Vocational Studies, IPB University

**Abstract.** This study examines the effects of brand awareness, brand association, and perceived quality towards brand loyalty of new development products. A total of 30 respondents were given an online questionnaire related to food brand equity (A case study new development product: Yobrow). Linear regression and multiple regression tests were used to test the data and infer the results. Data were analyzed using SPSS software. The results show that perceived quality leads to brand loyalty, brand awareness, brand association and simultaneously impacts brand loyalty. In the context of perceived quality, the consumer will evaluate the product's perceived quality. Perceive quality can give subjective judgment to a consumer's mind. The good quality of the product will increase brand loyalty product.

## 1 Introduction

Brand loyalty has an essential role in strategic marketing [10]. Brand loyalty also has strategic benefits to the marketer, such as increasing the market share, expanding the new consumers, supporting the brand extension, strengthening the brand to the competitive threats [4]. The marketer needs to focus on brand loyalty, in particular, to build a new brand. Several variables impact brand loyalty, such as brand awareness, association, and perceived quality. [2] reveal that, to increase customer loyalty, the marketer should build customer confidence. It is not important to enhance customer confidence to ensure consumers are aware of that brand. In addition, the brand association has a role in increasing brand loyalty [12], perceived quality as a determinant factor in brand loyalty.

A brand is important for consumer markets. Consumers are more aware and trust the brand that links to loyalty. For a new brand, it is important to build brand loyalty in terms of the food brand. In addition, Food product issues related to food safety, hygiene, and safety product delivery. The high risk of the food product is influenced by several factors, thus, this study focuses on maintaining brand loyalty for the new brand. Yobrow is one of the new food brands that sell healthy brownies. Most previous research examines brand loyalty for a popular brand, but only a few studies examine brand loyalty for a new brand. Meanwhile, many new brands need to be maintained due to new brands in the first step of the life cycle product. This study examines the impact of brand awareness, brand association, and perceived quality on brand loyalty, focusing on new brands.

## **2 Methods**

### **2.1 Data Collection and Procedure**

The study was held from June - to July 2021. The total sample in this research is 30 respondents. The majority of respondents were in Jakarta city. Jakarta city is the capital city of Indonesia. This location is determined based on several criteria, i.g (1) Jakarta is a metropolitan city with a large population (2) Jakarta city is central to food trade. Sampling respondents were selected based on these specific criteria: (1) the customer of Yobrow brand (2) the consumer who has purchased healthy chocolate products from Yobrow. Determination of total sample regarding the theory from Roscoe (1975). Sample size from 30 to 500 samples. The technique used for sampling in this study was non-probability sampling. Convenience sampling was chosen because of the respondents' ease of access and willingness to be interviewed.

### **2.3 Measure and Analysis**

The variables in this study included independent variables, i.e., brand awareness, brand association, perceived quality, and brand loyalty as the dependent variable. All of the variables are dimensions of brand equity. A Likert scale of 1 - 5 was used as the measurement scale in the questionnaire, and the data analysis applied descriptive and Regression analysis using SPSS software. Descriptive analysis was used to calculate respondent characteristics, while regression analysis examined the causality among variables.

### **2.4 Hypotheses Development**

Brand loyalty is the level of consumer interest in a product brand. Consumers who have strong loyalty will repurchase products. While many brands appear in the market that offers superior products, consumers prefer to choose with a good experience. Brand loyalty provides added value to the company [3]. Some factors increase brand loyalty. The factors belong to the dimension of brand equity. Dimensions of brand equity consist of brand awareness, brand association, perceived quality, and brand loyalty (brand loyalty) [11].

Brand awareness influences brand loyalty. High levels of brand awareness will lead to higher leads on brand loyalty [12]. [1] also reveal that brand awareness has a significant and positive relationship with brand loyalty. The definition of brand awareness is the consumer's ability to recognize the specific brand in their minds [9]. In addition, the brand association also has a role in increasing brand loyalty [12]. In line with research conducted by [5], there was a significant relationship between brand association and brand loyalty in private clubs. The definition of brand association is related to brand attributes, the consumer target, the consumer need, which is the foundation of brand loyalty and consumers' purchasing decisions [14]. Perceived quality relates to consumer brand engagement, is has an essential role in a consumer's perception of the reliability and dependability of a product or service, and is attached to customers' preference, consumer satisfaction, and purchase intention [13]. Perceived quality also determines brand loyalty. The nature of brand loyalty starts at the first stage of product purchasing, which is often made regarding that particular product's perceived quality. Based on the literature review, this study develops three hypotheses, therefore,

H1: Brand awareness has impacts on brand loyalty  
 H2: Brand association has impacts on brand loyalty  
 H3: Perceived quality has impacts on brand loyalty

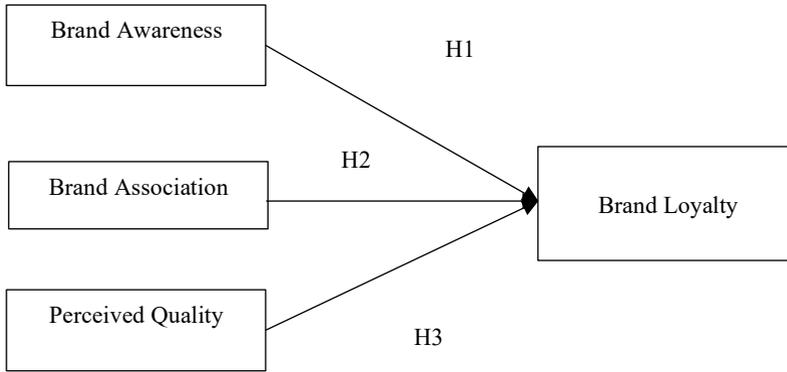


Fig. 1. Hypotheses framework

## 3 Results and discussion

### 3. 1 Respondent Characteristics

The characteristics of the respondents consist of gender, age, education, income, and family members. Table 1 below presents the demographic characteristics of the 30 respondents.

Table 1. Respondent characteristics

Characteristics	Total	Percentage
<b>Gender</b>		
Female	10	33
Male	20	67
<b>Total</b>	<b>30</b>	<b>100</b>
<b>Age</b>		
< 20 years old	0	0
21 – 25 years old	7	23
26 – 30 years old	7	23
31 – 35 years old	5	17
> 35 years old	11	37
<b>Total</b>	<b>30</b>	<b>100</b>
<b>Level of Education</b>		
High School	8	27
Diploma/Bachelor's Degree	20	67
Undergraduate	2	6
<b>Total</b>	<b>30</b>	<b>100</b>
<b>Income (IDR)</b>		
< 500.001	2	7
500.001 - 1.000.000	2	7
1.000.001 - 5.000.000	11	36
5.000.001 - 10.000.000	6	20
> 10.000.000	9	30
<b>Total</b>	<b>30</b>	<b>100</b>

Based on Table 1, most respondents were male (67%) and female (33%). The majority are adults aged above 35 (37%). Most of their education is graduated with a diploma or a bachelor's (67%). Based on revenue level, most respondents are on a monthly income of Rp. 1,000,001 – Rp. 5,000,000 (36%). This finding shows that the majority of respondents have adequate income. Yobrow's customers are dominated by adult people who have adequate income. Most adult people are more aware of their healthy life.

### 3.2 Path Analysis

Path analysis is used to measure a causality relationship among predetermined variables based on a theoretical. To examine whether there is an impact of intervening was used in path coefficient comparison. The path coefficients were calculated to obtain the regression model of relationship hypothesis variables.

**Table 2.** Model R Square

R	R Square	Adjusted R Square	Std. Error of the Estimate
.699	.489	.430	.5758

a. Predictor: (Constant), Perceived Quality, Brand Awareness, Brand Association

Regarding Table 2, the value of R square is 0.489. It means that brand awareness, association, and perceived quality simultaneously influence brand loyalty by 48,9%. If the value of R square is close to the 1 (range is 0 – 1), it means that the effect is bigger.

### 3.3 The Impact of brand awareness, brand association, and perceived quality on brand loyalty

There are dependent and independents variable in this study where the independent variables are brand awareness, brand association, and perceived quality. The dependent variable is brand loyalty. The regression analysis is used to examine the impact of independent variables on the dependent variable. The results showed in Table 3.

**Table 3.** The Path Analysis

Model	Coefficients unstandardized		Standardized Coefficients	T	Sig.	Hypotheses
	B	Std. Error	Beta			
(Constant)	-1.034	1.114		-.928	0.362	
Brand Awareness	0.440	0.289	0.257	1.521	0.140	H1 Not Accepted
Brand Association	0.117	0.295	0.093	0.395	0.696	H2 Not Accepted
Perceived Quality	0.606	0.294	0.460	2.063	<b>0.040*</b>	<b>H3 Accepted</b>

Based on Table 3, the results show that score = 0.460, which means the correlation between the variables on brand loyalty and perceived quality has a positive significance level with a significant count smaller than the standard value of  $0.04 < 0.05$ . Thus, the third hypothesis is accepted. This finding stated that perceived quality has an impact on brand loyalty. This finding shows that the good quality of the product increases the customer's brand loyalty. In the context of perceived quality, the consumer will evaluate the product's perceived quality. Perceived quality is a vital factor in determining brand loyalty. In particular, it is important to develop higher quality food for healthy food. Food products with good quality become a critical point for gaining a competitive advantage in the food and beverage industry [6]. In the particular new product, it is important to ensure that

product has good quality to attract consumer trust. Yobrow brand is a new start-up business in the food industry. Thus, it is important to ensure the perceived quality from their customer. There are four indicators in the perceived quality aspect, and perceived quality refers to the consumer's assessment of the product's superiority. This study also indicates that Yobrow brand has added value, which is the product provides benefits for consumer health. However, Yobrow brand is a new product that still needs more promotion to build consumer trust.

Regarding the results, brands awareness and brand association do not impact brand loyalty. The score of brand awareness = 0.257 and brand association = 0.093, a significant level is bigger than the standard value ( $p\text{-value} > 0.05$ ). this finding does not support the previous research that stated brand awareness and brand association have a big role in increasing consumer loyalty to a particular brand. In addition, Yobrow brand is a new brand, so most consumers did not trust the Yobrow brand. One of the strategies to increase the attention towards healthy food is food promotion [7]. Promotion increases consumer awareness towards the Yobrow brand. As we know, there are many kinds of promotions, such as through social media (Instagram, Whatsapp, Tiktok, Youtube, Facebook, etc.). On the other side, conventional promotion also impacts increasing brand awareness. [8] also stated that conventional media has a positive impact and effectiveness in attracting consumers. To determine the kinds of promotions, the marketer should adjust with the market target.

## 4 Conclusion

This study concludes that perceived quality is essential in increasing brand loyalty, primarily for the new brand. Consumers will trust a brand that has good quality. Thus, the marketer needs to focus on the quality of the product. In particular food products, marketers offer a good taste of brownies "yobrow". In addition, it is important to give the added value of the product. The marketer is also concerned with promotion to increase consumer awareness.

There are several limitations to this study. First, this study used a small sample size, and second, this study used non-probability sampling. For future study, it should be to enlarge the sample size to represent the population. The technique method is better-used probability sampling to obtain the results more accurate. In addition, the future study can apply the model causality, such as SEM (structural equation model).

## References

1. Alkhalwaldeh, Abdelbaset and Al-Salaymeh, Marwan and Alshare, Fathi and Eneizan, B. Mohammad. *European Journal of Business and Management*, **9**, 36, (2017)
2. A. Marliawati, D. Cahyaningdyah. *Manag Analys J.* **9**, 2 (2020)
3. AF. Hanafi. Pengaruh brand equity mobil Toyota Yaris terhadap kepuasan konsumen (studi pada pengguna mobil Toyota Yaris di Yogyakarta) [skripsi]. Yogyakarta: Universitas Muhammadiyah Yogyakarta (2016)
4. E. Atilgan, S.Aksoy, S.M.Akinci. *Marketing Intelligence and Planning*, **23**, 3, pp. 237-248 (2005)
5. E.M.Azadi. *Biomed Pharm. J.* **8**, 2, pp. 1-8 (2015)
6. F.A. Konuk. *J. Retailing and Cons. Servic.* **50** (2019)
7. F. Folkvords, Hermans, R.C.J. *Food Addiction.* **7** (2020)
8. I. N. Wirata , Satiadji A.R, Citrawati L.P,Arjaya K, Sutarini I.A., Asmarani I.R. *Proceedings of the 1<sup>st</sup> Padjajaran Communication Conference Series 2019* (2019)

9. J. Sasmita, N. M. Suki. *International Journal of Retail & Distribution Management*, **43**, 3, 276-292. (2015)
10. K. Memon, S. Khan, S. IKSP *J of Bus and Economics*, **2**, 1, 18-27 (2021)
11. N. Khan, S. Hamed, R. Rahmani, Y.H. Hong, B.C Tan. *Int. J. Bus. Manag.* **10**, 1, 172–181 (2015)
12. R. Chinamona, E.F.Mazariri. *J of Bus and Retail Management Research (JBRMR)*, **12**, 1 (2019)
13. S.R. Nikhashemi , N. Valaei, A.K Tarofder. *Glob. Bus. Rev.* **18**, 3, 108–127 (2017)
14. T.W Len, M. Cindy, M.M. Lynn. *J of Mark Manag.* **3**, 1, 137-155 (2007)