

(Case Study on Customers at Pakis Malang)

Sukron Mansur

Institut Teknologi Dan Bisnis Asia Malang, Indonesia

Dr. Fathorrahman, S.E., M.M

Institut Teknologi Dan Bisnis Asia Malang, Indonesia

Dr. Theresia Pradiani, S.E., M.M

Institut Teknologi Dan Bisnis Asia Malang, Indonesia

Dr. Widi Dewi Ruspitasari, S.E, M.M

Institut Teknologi Dan Bisnis Asia Malang, Indonesia

Email Correspondence: sukronmansur28@gmail.com

ABSTRACT

Sukron Mansur, 2022. Master of Management Postgraduate Program at the Asia Institute of Technology and Business, Malang. The Effect of Television Advertising and Product Quality on Purchase Decisions Through Brand Equity (Case Study on Customers in Pakis Malang District; Supervising Lecture I: Dr. Fathorahman, S.E., M.M.; Supervising Lecture II: Dr. Ike Kusdiyah R, S.E., M.M. The purpose of this study was to determine the effect of television advertising and product quality on purchasing decisions for Marimas products through brand equity (a case study on customers in Pakis Malang District). This type of research is quantitative descriptive with path analysis techniques. The population inthis study is Marimas product customers in Subdistrict Pakis Malang. The sampling technique used purposive sampling. The number of respondents in this study were 100 respondents. The results of the Path analysis test found that television advertising had no direct or indirect effect on purchasing decisions and product quality had an effect on purchasing decisions both directly and indirectly for Marimas product customers in Pakis Subdistrict, Malang.

KEYWORDS: Television Advertising, Product Quality, Purchase Decision and Brand Equity.

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Introduction

In the era of free trade lately, manufacturers are competing in marketing their products in order to take the market. One of the producers' strategies is to market their products through advertising media. In everyday life, we often encounter <u>advertisements</u> in various forms and delivery media, from television, radio, newspapers, online media, billboards, and so on. For companies providing goods or services, advertising is the mainstay to introduce and market their products. It aims to attract consumers to buy goods or use the advertised service. This condition requires producers to compete to retain consumers through competition between brands.

Talking about purchasing decisions, based on survey results and findings or provisional estimates by researchers that purchasing decisions for Marimas products in Pakisaji Malang have decreased. One of the reasons is about *display*. Competitor products (Nutrisari) found by researchers on average product location position is at in front (next to the cashier) while marimas products are in the back, even the products are still in the warehouse. From the results of interviews with outlets, it turns out that competitors' products do have a *display*, namely the rental fee in the form of product compensation every month. This is interesting to be a concern for producers to further increase promotional activities that make consumers more loyal to marimas products.

Advertising is a form of corporate communication to consumers who convey information about their products. At this time advertising is widely used by companies to introduce their products because advertising can reach various circles, both the lower economic class to the upper class economy because advertising can reach remote areas even by using radio and television. By using radio and television companies can introduce and inform about their products and the benefits received by consumers. Companies use television advertisements as promotions because advertisements can be seen by consumers and stick in consumers' memories. According to Nielsen Advertising Information Services (2015), quoted from the website page, said that the growth of advertising spending in 2015 began to show a positive movement in the second quarter with a growth value of 6%, after previously falling 1% in the first quarter. Overall during the first half of 2015 total advertising spending increased by 4%.

Advertising activities using television media are widely used by large companies because they can reach the wider community. Television is the most attractive and most effective media compared to other advertising media (Mariyanti and Rahanatha 2015). This is also done by PT Marimas Putera Kencana through one of its well-known brands, namely Marimas. Marimas product advertisements are advertised on television and packaged in an attractive form so that the advertisement is able to attract consumers to buy Marimas products. Activity Television ads important because it creates brand awareness.

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Advertising Television

Advertising according to Kotler and Keller (2007:244) is any form of non-personal presentation and promotion of ideas, goods or services by a particular sponsor that must be paid. Advertising using television media combines images, sound and movement, stimulates the senses and has high attention and reach. According to Ronald Lane in Alawiyah (2010: 13) also said that television is a combination of color, sound, and movement that offers flexible creativity for almost all products. So, television advertising is an advertisement that uses television as a communication tool to deliver its message. There are 5 indicators in television advertising, namely the purpose of the advertisement, the content of the advertisement message, the message format, the source of the message and the price discount.

Product Quality Product

quality is something that can affect consumers of Marimas products, Pakis District, Malang Regency, this is because the better the quality of Marimas products they have, the greater the consumers in Malang to make purchasing decisions. However, researchers only took six of the eight dimensions according to Fandy Tjiptono (2008) to adjust to the phenomena that occur in the object of research, namely 1) Performance, 2) Feature, 3) Conformance to specification, 4) Realibility, 5) Durability, 6) *Esthetica*).

Purchasing Decision Purchasing

Decision is a final process in which a prospective customer considers several things ranging from problem recognition, information search, alternative evaluation, purchase decisions and post-purchase behavior. Indicators in purchasing decisions refer to the opinion of kotler and keller (2009:235), namely a) problem recognition, b) information search, c) alternative evaluation, d) purchase decisions, e) post-purchase behavior

Brand Equity

Measurement of brand equity can be done by analyzing the dimensions the basis of brand equity, namely brand awareness (brand awareness), brand association (brand association), impression quality (perceive quality), brand loyalty (brand loyalty).

Conceptual Framework and Hypotheses

In the conceptual framework of this study, we want to test whether the independent variables, namely television advertising (X1) and product quality (X2), can affect the dependent variable, namely purchasing decisions (Y) through the intervening variable, namely Brand Equity (Z). Or whether television advertising and product quality variables directly affect purchasing decisions. The hypothesis is a temporary answer to the research problem until it is proven through the collected data (Arikunto, 2002:64). Based on the considerations in the problem formulation, the hypothesis that the authors put forward are:

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- H1 : It is suspected that there is a significant influence of television advertising on brand equity directly
- H2 : It is suspected that there is a significant effect of product quality on brand equity directly
- H3: It is suspected that there is a significant influence of television advertising on decisions Direct purchase
- H4 : It is suspected that there is a significant influence of product quality on direct purchasing decisions
- H5: It is suspected that there is a significant influence of brand equity on direct purchasing decisions
- H6: It is suspected that there is a significant influence of television advertising on purchasing decisions through indirect brand equity
- H7 : Allegedly there is significant influence of product quality on purchasing decisions through brand equity indirectly

Method

Validity

Test Validity test was conducted to determine the level of validity of the indicators used as a variable measuring instrument. The validity test uses bivariate correlation which is carried out with the help of spss imb version 25. The way of analysis is to correlate each value in the question number with the total value of the question number. Furthermore, the correlation coefficient obtained by r still has to be tested for its significance by comparing it with table r. question items are said to be valid if r count > r table or p value < 0.05 (Arikunto, 2008:146). The following are the results of the validity of each indicator.

Reliability Test Reliability

test is a consistent measure of research results, an instrument is reliable if the Cronbach's Alpha value 0.60, while an instrument is declared unreliable if Cronbach's Alpha < 0.60

Result

Table 1 the results of the reliability test above, it is known that the Cronbach's Alpha value of each item that measures the research variables is more greater than 0.05. This shows that the research instrument, in this case the questionnaire, which is used to measure television advertising, product quality, brand equity and purchase decisions of Marimas products to customers in Pakis Malang sub-district is valid.

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Table 1 Reliability Test

Variable	Indicator	Correlation	Value Value of r	Sig	LevelSig	Information
			table		(α)	
Television	X1.1	0,568	0,279	0,000	0.05	Valid
Advertising	X1.2	0,724	0,279	0,000	0.05	Valid
	X1.3	0,733	0,279	0,000	0.05	Valid
	X1.4	0,517	0,279	0,000	0.05	Valid
	X1.5	0,623	0,279	0,000	0.05	Valid
	X1.6	0,542	0,279	0,000	0.05	Valid
Product Quality	X2.1	0,787	0,279	0,000	0.05	Valid
	X2.2	0,665	0,279	0,000	0.05	Valid
	X2.3	0,557	0,279	0,000	0.05	Valid
	X2.4	0,548	0,279	0,000	0.05	Valid
	X2.5	0,721	0,279	0,000	0.05	Valid
	X2.6	0,558	0,279	0,000	0.05	Valid
Purchase Decision	Y.1	0,724	0,279	0,000	0.05	Valid
	Y.2	0,645	0,279	0,000	0.05	Valid
	Y.3	0,835	0,279	0,000	0.05	Valid
	Y.4	0,667	0,279	0,000	0.05	Valid
	Y.5	0,742	0,279	0,000	0.05	Valid
Brand Equity	Z.1	0,768	0,279	0,000	0.05	Valid
	Z.2	0,737	0,279	0,000	0.05	Valid
	Z.3	0,743	0,279	0,000	0.05	Valid
	Z.4	0,673	0,279	0,000	0.05	Valid

Source: Primary data processed by the author 2022

Based on the Table 2 Reliability test results above, it is known that the Cronbach's Alpha value of each item that measures research variables is greater than 0.6. This shows that the research instrument, in this case the questionnaire, which is used to measure television advertising, product quality, brand equity and purchase decisions of Marimas products to customers in Pakis Malang sub-district is Reliable or Reliable or Consistent

Table 2 Reliability Test

Variable	Cronbach's Alpha	Criteria	Ket.
Television advertisement (X1)	0.635	> 0.6	Reliable
Product Quality (X2)	0.662	> 0.6	Reliable
Purchase Decision (Y)	0.761	> 0.6	Reliable
Brand Equity	0.696	> 0.6	Reliable

Source: Primary data processed by the author 2022

Substructure 1

This test aims to determine how much influence the variable television advertising and product quality have on brand equity. The following are the results of the sub-structural 1 test:

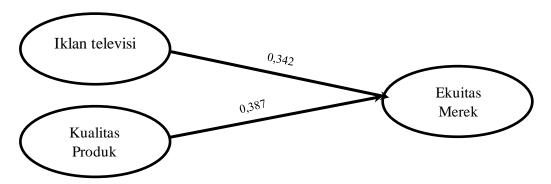
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Table 3 Substructure 1

		Unstandardi	zed Coefficients	Standardized Coefficients		
M	odel	В	Std. Error	Beta	t	Sig.
1	(Constant)	1.720	2.748		.621	
	Advertising Television	.439	.183	.342	.394	.016
	Product quality	2.423	.144	.387	2,96 3	.007

Source: Primary data processed by the author 2022

Figure 1 Substructural path model 1



Source: primary data processed by the author 2022

- a. Testing the effect of television advertising on brand equity
 - H0: 1=0 (Television advertising has no effect on brand equity)
 - H0: 1≠0 (Television advertising has an effect on brand equity)
 - *) Comparing the t value with t table

If t count < t table value then H0 is accepted and H1 is rejected If t count > t table value then H0 is rejected and H1 is accepted

From the calculation, the t count value for television advertising coefficient is 2.423. And the t table can be calculated using the t test with the formula for degrees of freedom nk. where n is the amount of data and k is the number of dependent and independent variables, namely 4. Then 100-4 = 96, so t table = 1.984, with a significant 0.05.

Because t count > t table value (2.423 > 1.984) with a significant of 0.016 < 0.05, H0 is rejected and H1 is accepted. So it can be concluded that television advertising coefficient has an effect on brand equity.

In this case television advertising is able to increase brand equity. Where consumers will be more aware of a Marimas brand through a television advertisement. This is in accordance with respondents' answers that television advertisements with messages that are easy to

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remember and easy to understand are equipped with appropriate designs and colors by being played by energetic and attractive advertising stars can

b. Test the effect of product quality on brand equity

H0: 1=0 (Product quality has no effect on brand equity)

H0: 1≠0 (product quality affects brand equity)

*) Compares the value of t count with t table

If t count < t table value then H0 is accepted and H1 is rejected

If t count > t table value then H0 rejected and H1 accepted.

From the calculation, the t value for the product quality coefficient is 2,963. And the t table can be calculated using the t test with the formula for degrees of freedom nk. where n is the amount of data and k is the number of dependent and independent variables, namely 4. Then 100-4 = 96, so t table = 1.984, with a significant 0.05.

Because t count > t table value (2,963 > 1,984) with a significant of 0.007 < 0.05, then H0 is rejected and H2 is accepted. So it can be concluded that the coefficient of product quality has an effect on brand equity. In this case, the better a product quality, the more brand awareness for Marimas product customers in Pakis Malang district. This is in accordance with the respondent's answer that Marimas products that have no side effects with many flavor variants are processed with good standards and quality and a long expiry date further increases awareness and brand loyalty of Marimas products to customers in Pakis Malang sub-district.

Substructural test 2

This test aims to determine how much influence the variables of television advertising, product quality, and brand equity have on purchasing decisions. The following are the results of sub-structural 2:

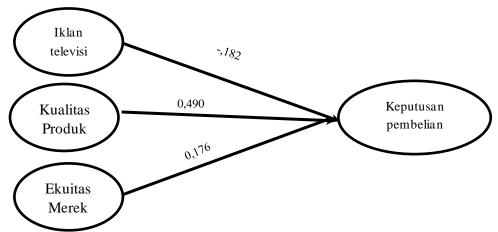
Table 4 Substructure 2

	Unstandardized Coefficients		Standardized Coefficients		
Model	В	Std. Error	Beta	t	Sig.
(Constant)	7.340	2.421		3.220	.002
Iklan televisi	185	.145	182	- 1.247	.225
Kualitas produk	.385	.132	.490	3.073	.004
Ekuitas merek	.133	.152	.176	1.270	.258

Source: Primary data processed by the author 2022

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From the calculation obtained the value of t arithmetic for television advertising coefficient is -1.247. And the t table can be calculated using the t test with the formula for degrees of freedom nk. where n is the amount of data and k is the number of dependent and independent variables, namely 4. Then 100-4 = 96, so t table = 1.984, with a significant 0.05.

Because t count > t table value (-1.247 < 1.984) with a significant of 0.225 > 0.05, then H0 is accepted and H3 is rejected. So it can be concluded that the television advertising coefficient has no effect on purchasing decisions.

From the calculation, the t value for the product quality coefficient is 3.073. And the t table can be calculated using the t test with the formula for degrees of freedom nk. where n is the amount of data and k is the number of dependent and independent variables, namely 4. Then 100-4 = 96, so t table = 1.984, with a significant 0.05.

Because t count > t table value (3.073 > 1.984) with a significant value of 0.004 < 0.05, then H0 is rejected and H4 is accepted. So it can be concluded that the coefficient of product quality has an effect on purchasing decisions.

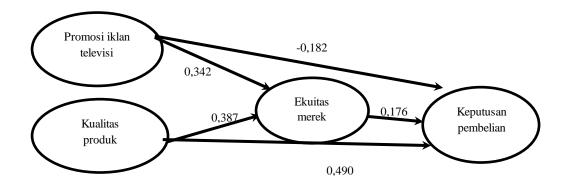
From the calculation, the t-count value for the product quality coefficient is 1.270. And the t table can be calculated using the t test with the formula for degrees of freedom nk. where n is the amount of data and k is the number of dependent and independent variables, namely 4. Then 100-4 = 96, so t table = 1.984, with a significant 0.05. Because t count > t table value (1.270 < 1.984) with a significant of 0.258 > 0.05, then H0 is accepted and H5 is rejected. So it can be concluded that the brand equity coefficient has no effect on purchasing decisions.

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Path Test

In this study, a hypothesis has been formulated which states that there is a direct and indirect effect between the independent variables on the dependent variable. To calculate the magnitude of the indirect effect and the total effect, it can be calculated in the following way:

Direct and Indirect Effect Path Analysis Model



Based on the above calculation, it is known that the direct effect of X1 (television advertising) on purchasing decisions is lower (-0.182) than the indirect effect of brand equity (0.060). The total influence of television advertising on purchasing decisions is -0.122. Meanwhile, the effect of X2 (product quality) on purchasing decisions is higher (0.490) than the indirect effect through brand equity (0.068). The total effect of product quality on purchasing decisions is 0.558.

From the results of these calculations, it can be concluded that television advertising has no effect on purchasing decisions through brand equity and product quality affects purchasing decisions through brand equity.

Discussion

Sobel

Sobel test to determine whether the relationship through mediation is significantly capable of being a mediator in the relationship. If the Z value > 1.98 with a significance level of 5%, it means that the mediating variable is able to mediate the relationship of the independent variable to the dependent. In this Sobel test, there are 2 regressions to be tested, the first test is the television advertising variable on purchasing decisions through brand equity.

Table 5 Sobel test television advertising

	Unstandardized Coefficients		Standardized Coefficients		
Model	В	Std. Error	Beta	t	Sig.
e (Constant)	8.649	2.665		3.649	.002

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Iklan televisi	052	.163	048	344	.738
Ekuitas merek	.298	.125	.377	2.341	.033

Source: Primary data processed by the author 2022

From table 5 shows that the regression coefficient value of television advertising on purchasing decisions gets a value of -0.052 with a standard error of 0.163 with a significance value of 0.738 so that television advertising promotions have no effect on purchasing decisions. Then for brand equity on purchasing decisions, it gets a coefficient value of 0.298 with a standard error of 0.125 with a significance value of 0.033. So that brand equity has an effect on purchasing decisions.

From the results of the calculation table above, it can be concluded that television advertising has no effect on purchasing decisions through brand equity. The second test of product quality variables on purchasing decisions through brand equity. The following is a table of product quality variable coefficients on purchasing decisions through brand equity.

Table 6 Sobel test brand equity

		Unstandardized Coefficients		Standardized Coefficients		
Mo	odel	В	Std. Error	Beta	t	Sig.
е	(Constant)	5.364	1.818		2.883	.006
	Kualitas produk	.342	.127	.434	2.845	.008
	Ekuitas merek	.092	.125	.127	.769	.430

Source: Primary data processed by the author 2022

From table 5 shows the regression coefficient value of product quality on purchasing decisions gets a coefficient value of 0.342 with a standard error of 0.127 with a significance value of 0.008. So that the quality of the product affects the purchasing decision. Then for brand equity on purchasing decisions, the coefficient value is 0.092 with a standard error of 0.125 with a significance value of 0.430. So that brand equity has an effect on purchasing decisions. From the calculation results of the table above, it can be concluded that product quality influences purchasing decisions through brand equity.

Conclusion

- 1. Television advertisements have a positive and significant effect on the brand equity of marimas products to customers in the Pakis Subdistrict of Malang.
- 2. Product quality has a positive and significant effect on brand equity of marimas products to customers in Pakis Malang sub-district.
- 3. Television advertisements do not significantly influence the purchase decisions of marimas products to customers in the Pakis Subdistrict of Malang.

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- 4. Product quality has a significant and significant effect on purchasing decisions for marimas products to customers in the sub-district of Pakis Malang.
- 5. Brand equity has no effect on purchasing decisions for Marimas products to customers in the sub-district of Pakis Malang
- 6. Television advertising has no effect on purchasing decisions through brand equity of marimas products to customers in Pakis Malang sub-district.
- 7. Product quality has a positive and significant effect on purchasing decisions through the brand equity of Marimas products to customers in the Pakis Subdistrict of Malang.

Based on the results of the study, data analysis and conclusions obtained in this research, the following suggestions can be given:

- 1. For the company PT Marimas Puetera Kencana Based on the respondents' answers regarding the promotion of television advertising and product quality on purchasing decisions through brand equity, most of them chose to agree, but after a path analysis test, it turned out that advertising promotion activities did not have an impact on purchasing decisions. It turns out that this is because the frequency of ad serving is rare so that consumers do not know about Marimas ads. It is hoped that producers will increase the frequency so that consumers are more aware of the Marimas brand and hope that it will lead to purchasing decisions.
- 2. For Further Research There
 - Are only a few variables used in this study, namely two independent variables, one dependent variable and one intervening variable, therefore further researchers can add other variables related to purchasing decisions. So that it can provide a broader picture of what factors influence purchasing decisions. It is recommended to add or replace sampling techniques, such as face-to-face interviews in order to minimize habits and show actual conditions.

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