THE EFFECT OF ADVERTISING ON CONSUMER DECISION MAKING THROUGH BRAND AWARENESS

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ABSTRACT

Transportation takes a crucial part to support human being activity. Transportation is needed to help the people to do the various activities. By the time goes by, the mobility of people gets higher and intense. People with high mobility need safety, clean and convenient transportation modes. Nowadays, people have many choices of transportation they can use, either land, water, or air transports. Research objectives are to know the effect of advertising on consumer decision making, the effect of advertising on brand awareness, and the effect of brand awareness on consumer decision making. Theories supporting research are advertising, consumer decision making, and brand awareness. The population is consumers of daihatsu and sample is 100 respondents. The conclusion of this research are: advertising has a significant effect to the brand awareness, advertising has significant effect to the consumer decision making, and brand awareness has significant effect to the consumer decision making, and the relation of advertising on consumer decision making through brand awareness shown the indirect effect less than direct effect, it means the intervening variable make the relation of advertising and consumer decision making weaker.

Keywords: advertising, consumer decision making, brand awareness

INTRODUCTION

Research Background

Transportation takes a crucial part to support human being activity. Transportation is needed to help the people to do the various activities. By the time goes by, the mobility of people gets higher and intense. People with high mobility need safety, clean and convenient transportation modes. Nowadays, people have many choices of transportation they can use, either land, water, or air transports. In particular, for land transports, car is taken many of users, since people use cars because it makes traveling from place to place much faster, quite low risk of accident and easier taking the things that needed in a daily basis.

The increasing of competition in automotive industry enable the manufacturers chooses the most appropriate strategy in order to attract the attention of consumers. One of the chosen strategies will be determined based on the positioning of each company’s product. Additionally, the advertisements are really as one of the most powerful and strongest medium of mass communication. Also, when authentic and unbiased messages are delivered through this medium, the products get an instant positive response in the market. It all depends on the advertisers, who introduce the products or services with complete authenticity and without forgetting their responsibility towards the community. Therefore, advertising can enhance the consumers’ decisions either start to purchase or not purchase the particular product or service.

The purpose of business is to create loyal customers as much as possible, with communicating efficiently the value of brand and adapt it into the selling process. Successful of the advertisement has become a miracle for businesses in the midst of growing competition raged. To achieve this, the company must be willing to pour a big cost to advertise. Advertisings must be packed too creative as possible in order to attract the attention of consumers. Hopefully advertisings will be embedded firmly in the minds of consumers, so that when they are going to buy a product, the brand is exactly will be the most memorable.
The problem arises when the sale would not increase, but people are very familiar with the brand because its advertisings are very creative and entertaining. Penetration of such terrible advertisings did not generate a sales spike. Perhaps people still remember the cigarette advertisings that display in Long Beach several private TV late in 1999. The advertising is very memorable, because the visualization is very funny and entertaining. The advertising won four awards in the 1999 Citra Pariwara and was a finalist in the event of The New York Festival. This is a proof of the creativity and artistic advertisings Long Beach. Hilarious advertising is indeed able to increase brand awareness cigarette Long Beach. But in terms of sales, cigarettes are less successful, even when it no longer heard the news about the cigarette.

When it was aggressively advertise, a brand may fail in the market when all conditions are met. It could be the segment that is too wide, yet, the product becomes not in the focus. It’s importance to conduct market research before launching advertising. To create creativity is not based on more intuition, but an accurate set of data. An advertisement must inform the uniqueness and superiority of a product compared to competitors.

Communication, potentially boosted the sales of a product, with notes, messages are packaged in such a way that will touch the side of the rational and emotional consumer. Therefore, the message must be original and visually eye catching. Brand name that is directly related to the functions or benefits offered by a brand would be more easily embedded in the minds of consumers, which advertising also must entertain, not just flat, so that advertising is easily remembered by consumers as well as a differentiating factor compared to competitors’ advertising and sometimes it is not always to encourage sales. It could be advertisings created to build a corporate image, or awareness of a product.

For instance, as Astra Daihatsu Motor had emphasized their efforts to the increasing of a corporate image. Meanwhile, according to Rokky Irvayandi, Head of Promotion Department of PT Astra Daihatsu Motor, Daihatsu advertising carefully cultivated. Begin with the determination of marketing strategy, namely segmentation, targeting, and positioning. Before launching the advertising, Daihatsu also conducted a consumer survey related to the targeted segments. Another thing that should be considered is Daihatsu’s advertising timing. Research is needed not only before the advertising was launched, but after the advertising aired. Daihatsu usually do research published three months after the advertisement. Data regarding the products, research conducted qualitatively and quantitatively. Conversely, despite based on White (2009:60), Daihatsu first mistake was a failure to enter US market and establish brand recognition. Daihatsu has lack of viable marketing plan. Daihatsu cannot make market promises and drive the situation as they want. It was a classic example of too little, too late and too many promises made in the promotion and later not fulfilled.

Research Objective
1. To know the effect of advertising on consumer decision making
2. To know the effect of advertising on brand awareness
3. To know the effect of brand awareness on consumer decision making

THEORETICAL FRAMEWORK

Theories

Consumer Decision Making
Consumer decision-making is defined as the behavior patterns of consumers that proceed, determine and follow the decision making process for the acquisition of need satisfying products, ideas or services. In addition, some researchers have advised that consumers are “value driven” (Zeithaml, 1988:58)

Advertising
Advertising is a subset of promotion mix which is one of the 4P’s in the marketing mix i.e. product, price, place and promotion. As a promotional strategy, advertising serve as a major tool in creating product awareness in the mind of a potential consumer to take eventual purchase decision (Latif and Abideen 2011:55). As a promotional strategy, advertising provides a major tool in creating product awareness and condition the mind of a potential consumer to take final purchase decision. As advertiser’s primary mission is to reach potential customers and influence their awareness, attitudes and buying behavior Ayanwale et al., (2005:9)
Brand awareness

Brand awareness is the first and prerequisite dimension of the entire brand knowledge system in consumers’ minds, reflecting their ability to identify the brand under different conditions: the likelihood that a brand name will come to mind and the ease with which it does so (Keller 1993:3). Brand awareness is measured according to the different ways in which consumers remember a brand, which may include brand recognition, brand recall, top of the mind brand and dominant brand (Aaker 1996:114).

Previous Research

Gunaratne (2009:44) tried to see the relationship between the advertising freedom of marketers and the ability of customers to make well-informed purchase decisions, and revealed that customers believed that advertising freedom of marketers leads to misleading advertising and greater misleading advertising leads to poorer purchase decisions of customers. Clarky et al., (2009:1) found that advertising has consistently a significant positive effect on brand awareness but no significant effect on perceived quality. Moisescu (2004:103) tried to reveal the importance of unaided brand awareness when it comes to consumers’ buying decision and the importance of aided brand awareness when assessing the perceived risk associated with the purchase.

![Conceptual Framework](image)

Figure 1. Conceptual Framework

Research Hypothesis

In order to check the relationship between the independent and dependent variables, three hypotheses were developed.

H1: Advertising has an effect on brand awareness.

H2: Brand Awareness has an effect on consumer decision making

H3: Advertising has an effect on consumer decision making.

RESEARCH METHOD

Type of Research

Type of this research is causal research. Casual research explores the effect of one variable towards another. More specifically, this typical of research is used to measure the impact for every specific change which having an existing norm and allows market researchers to predict hypothetical scenarios upon which a company can base its business plan.

Place and Time of Research

The study will be conducted in Manado between May – September 2013

Population and Sample

Population is the group or the individuals to whom the survey applies. Ideally, a target population should be represented as a finite list of all its members (Kitchenham and Pfleeger 2002:17). Population of this research is comprised of consumers of daihatsu in Manado, North Sulawesi. Based on Hair et al. (2010:38), sample refers to a small number of members of the target population from which the researcher collects data. Sample size is determined according to Structural Equation Model (SEM) covering about 100-200 samples (Hair et al. 1998). Convenience sampling involves obtaining responses from those people who are available and willing to take part (Kitchenham and Pfleeger 2002:19).
Data Collection Method

There are two sources of data in this research, those are primary data and secondary data. Primary Data is information collected for a current research problem or opportunity (Hair et al., 2010:26). Primary data is firsthand data that has not been published yet and is more reliable and authentic. Secondary Data is information previously collected for some other problem or issues (Hair et al., 2010:26).

Operational Definition and Measurement of Research Variables

Operational Definition of Research Variables
1. Advertising (X) can be definition as a major tool in creating product awareness and condition the mind of a potential consumer to take eventual purchase decision.
2. Brand awareness (Y1) is a crucial consideration. It may be thought of as a buyer's ability to identify a brand within a category in sufficient detail to make a purchase.
3. Consumer decision making (Y2) is the current view of the consumer to make buying decision which can be affected by advertising and brand awareness.

Questionnaire as an instrument was used for this study which contained brief description about the purpose and the significance of the study. The questionnaire gathered information on consumers’ perceptions of advertising of Daihatsu, the reasons they remain with their banks, and reasons why they might switch to a rival. Likert-format items were presented with 5-point scales, where 1 = "strongly disagree," 2="disagree," 3 = "neither disagree nor agree," 4="agree," and 5 = “strongly agree.”

Data Analysis Method

Validity and Reliability Test
Validity is a characteristic of measurement concerned with the extent that a test measures what the researcher actually wishes to measure. A valid measurement tool called when he does what is supposed to do and measure what is supposed to be measured. The indicators of each variable (one variable has 3 indicators), variable of advertising has 3 indicators like innovative,newspaper,billboard and variable of consumer decision making has 3 indicators like want,buyingdecision,choice and variable of brand awareness has 3 indicators like brand recall,brand recognition,brand name which is said to be valid in this study if the MSA in the "Anti-Image Correlation" is more than 0.5, and the test results are valid in this study.

Structural equation modelling (SEM) Analysis Model

Structural Equation Modeling, or SEM, is a very general statistical modeling technique, which is widely used in the behavioral sciences. It can be viewed as a combination of factor analysis and regression or path analysis. The interest in SEM is often on theoretical constructs, which are represented by the latent factors. The relationships between the theoretical constructs are represented by regression or path coefficients between the factors. The structural equation model implies a structure for the covariance between the observed variables, which provides the alternative name covariance structure modeling. However, the model can be extended to include means of observed variables or factors in the model, which makes covariance structure modeling a less accurate name.

RESULT AND DISCUSSION

Result

Validity and Reliability

The variables that have value less than 0.50 were dropped from this study. In anti-image correlative, the value of innovative is .929. newspaper is .935. billboard is .936. brand recall is .876. brand recognition is .898. brand name is .863. want is .899. buying decision is .893. and choice is .904 which is all values are more than 0.50 so, it can be concluded that all indicators are valid. The Cronbach’s Alpha is .851. The consistency reliability of the measure used in this study can be consider as good.
SEM Analysis

Based on SEM analysis, there are three variables advertising (X1), brand awareness (Y1), consumer decision making (Y2) and each variables consists of three indicator, where’s advertising (X1) indicator are innovative (X11), news paper (X12), billboard (X13), brand awareness (Y1) indicator are brand recall (Y11), brand recognition (Y12), brand name (Y13), consumer decision making (Y2) indicator are want (Y21), buying decision (Y22), Choice (Y23).

![Figure 2. SEM Model](image)

Source : Data processing result

Measurement model

Measurement model is used to see whether the indicators significantly measured the variables. All indicators of variable advertising (X1) are significant to measure X1 means all indicators could be used on the SEM models. So, innovative (X11), news paper (X12) and billboard (X13) are significant to measure advertising (X1). All indicators of variable brand awareness (Y1) are significant to measure Y1 means all indicators could be used on the SEM models. So, brand recall (Y11), brand recognition (Y12) and brand name (Y13) are significant to measure brand awareness (Y1). All indicators of variable consumer decision making (Y2) are significant to measure Y2 means all indicators could be used on the SEM models. So, want (Y21), buying decision (Y22) and choice (Y23) are significant to measure consumer decision making (Y2).

Structural Model

This part describes the relationship pattern of all the variables or hypothesis testing. Hypothesis 1 is approved or proved that advertising (X1) has a significant effect to the brand awareness (Y1) because the probability <0.05 which is 0.000. advertising have a signicant positive effect on brand awareness. Since awareness is the most basic kind of information a consumer can have for a brand, we conclude that an important role of advertising is information provision and advertising is market expanding if it attracts consumers to the entire category but not necessarily to a particular brand. In this way, competitors' advertising may have a positive influence on brand awareness. Brand awareness, in general, means the extent to which a brand associated with a particular product is recognised by potential and existing customers either positively or negatively. It’s one of the main reasons people will chose one product over another, hence having a strategy in place is important. The objective of a successful brand awareness strategy is to gain trust and credibility with customers and end users. The major aim of advertising is to impact on buying behavior; however, this impact about brand is changed or strengthened frequently in people’s memories. Memories about the brand consist of those associations that are related to brand name in consumer mind. These brand cognition influence consideration, evaluation, and finally purchases. The principal aim of consumer behavior analysis is to explain why consumers act in particular ways under certain circumstances. It tries to determine the factors that influence consumer behavior, especially the economic, social and psychological aspects Ayanwale et al., (2005:10). When young people choose advertising information and characters as their role models, they may not only identify with them but also intend to copy them in terms of how they dress and what they are going to buy Latif et al., (2011:56).
Hypothesis 2 is approved or proved that advertising (X1) has significant effect to the consumer decision making (Y2) because the probability <0.05 which is 0.007. Almost every one grows up in the world which is flooded with the mass media e.g. television, advertising, films, videos, billboards, magazines, movies, music, newspapers, and internet (Latif and Abdeen 2011:55). Of all marketing weapons, advertising is renowned for its long lasting impact on viewer’s mind, as its exposure is much broader. Advertising is a subset of promotion mix which is one of the 4P’s in the marketing mix i.e. product, price, place and promotion. As a promotional strategy, advertising serve as a major tool in creating product awareness in the mind of a potential consumer to take eventual purchase decision. Advertising, sales promotion and public relations are mass-communication tools available to marketers.

Hypothesis 3 approved or proved that brand awareness (Y1) has a significant effect to the consumer decision making (Y2) because the probability <0.05 which is 0.000. Recently, the rising of consumer consciousness has made consumers choose to purchase their familiar and favorable brand. Therefore, if businesses want to defeat their competitors, they have to make consumers love to buy their products and brands. (Macdonald and Sharp 2000:3) mention that even though consumers familiarize and are willing to purchase a product, brand awareness is still an important factor to influence purchase decision. When consumers want to buy a product, and a brand name can come to their minds at once, it reflects that product has higher brand awareness. Brand awareness is the first and prerequisite dimension of the entire brand knowledge system in consumers’ minds, reflecting their ability to identify the brand under different conditions: the likelihood that a brand name will come to mind and the ease with which it does (Keller, 1993). Brand awareness can be depicted into brand recognition (consumers’ ability to confirm prior exposure to the brand when given the brand as cue) and brand recall (consumers’ ability to retrieve the brand when given the product category, the needs fulfilled by the category, or some other cues). Brand awareness is essential in buying decision-making as it is important that consumers recall the brand in the context of a given specific product category, awareness increasing the probability that the brand will be a member of the consideration set. Awareness also affects decisions about brands in the consideration set, even in the absence of any brand associations in consumers’ minds. In low involvement decision settings, a minimum level of brand awareness may be sufficient for the choice to be final.

**Direct Effect, Total Effect and Indirect Effect**

The total effect of one variable on another can be divided into direct effects (no intervening variables involved) and indirect effects (through one or more intervening variables). Indirect relation that can be measured which are X1 to Y2 through Y1. The analysis result found that the relation X1 → Y1 → Y2 shown the indirect effect < direct effect which is .374 < .403 it means the intervening variable make the relation of X1 and Y2 weaker. There was low effect of advertising on consumer decision making. And when there is a brand awareness intervening the advertising and consumer decision making, the negative relationship is getting lower. Without the brand awareness, advertising and consumer decision making can be related directly, as already described above that each variable related even though the relationship between brand awareness and consumer decision making and the advertising and consumer decision making is not very perfect in comparison with the relationship between advertising and brand awareness, so brand awareness to weaken relationship between advertising and consumer decision making

**Discussion**

**Advertising and Brand Awareness**

Advertising is a tool for creating brand awareness, Daihatsu Sahabatku is a new image for Daihatsu to strengthen their brand, in this part Daihatsu treats the customers as a friendship, and its unique their vehicles is also advertised with a new innovations with several product’s tagline such as Terios sahabat peualang, Sirion sahabat anak muda, Grand max sahabat bisnis, Luxio sahabat Elegan and Xenia Sahabat keluarga. advertising is an announcement regarding the launch of a product, service or idea through the usage of basically the most popular mass media. Medium is chosen Based on its popularity and the one which has maximum reach. It may vary from audio-visual medium, audio medium to print medium. As advertising is a form of mass communication and thus just like other popular forms it too have some social responsibilities associated with it. Advertisers use color to reflect a specific brand and, attempt to communicate a certain mood dictated by the
product itself. Advertising play an important role in increasing brand awareness. Repetitive advertising program increase the chance of paying attention to brand, simplify costumers’ selection and habituate the selection of brand. Hence, advertising is positively concerned with the awareness of the brand association which is increased brand equity. Moreover, advertising attempts are positively concerned with brand loyalty because it is reinforced the brand awareness and steer the viewpoints to the brand.

Rossiter and Percy (1987:1) describe brand awareness as being essential for the communications process to occur as it precedes all other steps in the process. Without brand awareness occurring, no other communication effects can occur. Brand awareness means the ability of a consumer can recognize and recall a brand in different situations (Aaker 1996:114). Brand awareness consists of brand recall and brand recognition. Brand recall means when consumers see a product category, they can recall a brand name exactly, and brand recognition means consumers has ability to identify a brand when there is a brand cue. That is, consumers can tell a brand correctly if they ever saw or heard it. Moreover, (Hoeffler and Keller 2002:56) indicate that brand awareness can be distinguished from depth and width. Depth means how to make consumers to recall or identify brand easily, and width expresses infers when consumers purchase a product, a brand name will come to their minds at once. If a product owns brand depth and brand width at the same time, consumers will think of a specific brand when they want to buy a product. That is, the product has higher brand awareness. Moreover, brand name is the most important element in brand awareness. As a consequence, brand awareness will affect purchase decision through brand association, and when a product owns a positive brand image, it will help in marketing activities (Keller 1993:3). A brand name offers a symbol that can assist consumers to identify service providers and to predict service results. Brand awareness can help consumers to recognize a brand from a product category and make purchase decision.

Advertising and Consumer Decision Making

Advertising influence the consumer decision making as well as Daihatsu products, with different ads had showed by Daihatsu (Daihatsu Sahabatku) who is able to attract the attention of consumers, high interest to the market to buy products Daihatsu, showing confidence in the people of Indonesia or even reflect the consumers’ personality that will be increased the sales of Daihatsu. An intense competition between brands did not showed any effect to the loyal customer. This is because the Daihatsu is continued to prioritize service efforts, both products and after sales as well as with the vigorous Daihatsu added a number of outlets to make it more easily accessible by the public. Achievement which has been successfully recorded by Daihatsu, which noted as second Indonesia’s highest rank of car selling in four consecutive years since 2009. It is not inseparable of innovative products and services provided by Daihatsu for customer satisfaction which should be in line with their motto which is "Daihatsu Sahabatku".

Meanwhile, advertising through all mediums influence audiences, whereas television is one of the strongest medium of advertising and due to its mass reach, it can influence not only the individual’s attitude, behavior, life style, exposure and in the long run, even the culture of the country (Latif and Abideen 2011:55). A company cannot make dream to be a well known brand until they invests in their promotional activities, for which consumer market have been dominating through advertisements Hussainy et al., (2008:56). As the primary mission of advertiser is to reach prospective customers and influence their awareness, attitudes and buying behavior. They spend a lot of money to keep individual’s interest in their products. They need to understand what makes potential customers behave the way they would like. It also appears that advertising may have the potential to contribute to brand choice among consumers Latif et al., (2011:56). Therefore, consumer is more likely to associate with advertisements of those brands, which have emotional values and messages. Because, positive emotional appeals also provide a strong brand cue and stimulate category-based processing (Abideen and Latif 2011:56). If the categorization process is successful, then the affect and beliefs associated with this category in memory are transferred to the object itself. Consumers are not only at first confused and disordered in mind, but they also try to categorize the brand association with their existing memory, when thousands of products are faced by them, and they might reposition memories to outline a brand image and perception / concept toward new products. They can categorize latest information into particular brand or product group label and store them accordingly. This procedure is not only associated to consumer’s familiarity and information, but also attachment and preference of brand. It is also suggested that consumer can disregard or prevail over the dissonance from brand extension (Abideen and Latif 2011:58).
Brand Awareness and Consumer Decision Making

Brand awareness has a relationship with the consumer decision making, in this case Daihatsu creating a strong brand with produce the vehicles with affordable prices, fuel-efficient and with a variety of interesting shapes that suit with the consumer needs it is makes some loyal customers who keep using Daihatsu car and Consumers’ purchase decision can be influenced if a product has higher brand awareness Dodds et al., (1991:308). This explains why a product with high brand awareness also will have high market share and better quality evaluation. In addition, while consumers select a product, they care about perceived quality and brand awareness which means as an ability of consumer to recognize and recall a brand in different situations (Aaker 1996:114). Brand awareness consists of brand recall and brand recognition. Brand recall means when consumers see a product category, they can recall a brand name exactly, and brand recognition means consumers has ability to identify a brand when there is a brand cue. That is, consumers can tell a brand correctly if they ever saw or heard it. Moreover, (Hoeffler and Keller 2002:117) indicate that brand awareness can be distinguished from depth and width. Depth means how to make consumers to recall or identify brand easily, and width expresses infers when consumers purchase a product, a brand name will come to their minds at once. If a product owns brand depth and brand width at the same time, consumers will think of a specific brand when they want to buy a product. That is, the product has higher brand awareness. Moreover, brand name is the most important element in brand awareness.

CONCLUSION AND RECOMMENDATION

Conclusion

The conclusion of this research are: (1) advertising has a significant effect to the brand awareness, advertising has significant effect to the consumer decision making, and brand awareness has significant effect to the consumer decision making, and (2) the relation of advertising on consumer decision making through brand awareness shown the indirect effect less than direct effect, it means the intervening variable make the relation of advertising and consumer decision making weaker.

Recommendation

The variables used were good but for more satisfactory outcome brand awareness is not needed because it can be weaken the relationship between advertising and consumer decision making. Besides to keep creating, maintaining and expanding the brand awareness, Daihatsu also should consider improving and maximizing their advertising approach. Develop more effective advertising campaign that attracts consumers’ attention, eye catching and capture customer’s interest. Daihatsu advertising messages should more strong, memorable and appealing enough to persuade customers. With that Daihatsu can increase the customer size. For the further research, another variable besides advertising might be utilized to see the effect of consumer decision making and brand awareness, for example consumer lifestyles and buying experiences. Future research could also take more specific sample like group of age, occupation and interest. Then, use the combination of qualitative and quantitative will be great for more understanding of customer decision making.
REFERENCES


