

THE IMPACT OF PRICE AND BRAND AWARENESS TOWARD BRAND LOYALTY OF TRI PROVIDER IN NORTH SULAWESI
CASE STUDY : UNIVERSITY STUDENTS UNKLAB, DE LA SALLE, UNIMA, AND, UNSRAT

DAMPAK HARGA DAN KESADARAN MEREK TERHADAP LOYALITAS MEREK DARI TRI PROVIDER DI SULAWESI UTARA

STUDI KASUS : MAHASISWA UNKLAB, DE LA SALLE, UNIMA DAN UNSRAT

by

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Abstract : Telecommunication provider is a requirement for us to communicate through gadget, and Tri provider is one of telecommunication brand in Indonesia, company make various ways to make customer loyal to brand Tri. the purpose of this study is to analyze the impact of price and brand awareness on brand loyalty partially and simultaneously. This study is quantitative and using multiple regression model to answer the research problem, respondents in this study were taken from 100 students unklab, de la salle, unima and unsrat. This study shows that the variable price and brand awareness have influence on brand loyalty in partially and also simultaneously. To Tri, based on this research about the impact of price and brand awareness toward brand loyalty which affects the customer, Tri product must keep the price in line with the quality on offer. and also increase brand awareness as much as possible by adding brand ambassadors, and holding events announced in public through television, social media or radio to increase.

Keyword : price, brand awareness, brand loyalty

Abstrak : Penyedia telekomunikasi merupakan syarat bagi kita untuk berkomunikasi melalui gadget, dan Tri adalah salah satu merek telekomunikasi di Indonesia, perusahaan membuat berbagai cara untuk membuat pelanggan setia kepada Tri. Tujuan dari penelitian ini adalah untuk menganalisis dampak dari harga dan kesadaran merek pada loyalitas merek secara parsial dan simultan. Penelitian ini bersifat kuantitatif dan menggunakan model regresi berganda untuk menjawab masalah penelitian, responden dalam penelitian ini diambil dari 100 mahasiswa unklab, de la salle, unima dan unsrat. Penelitian ini menunjukkan bahwa variabel harga dan kesadaran merek memiliki pengaruh terhadap loyalitas merek secara parsial dan juga secara simultan. Untuk Tri, berdasarkan penelitian ini tentang dampak harga dan kesadaran merek terhadap loyalitas merek yang mempengaruhi pelanggan, sebaiknya Tri lebih menjaga kestabilan harga agar tetap sesuai dengan kualitas yang di tawarkan, dan juga meningkatkan kesadaran merek terhadap masyarakat seperti adanya brand ambassador, mengadakan banyak event melalui media televisi, media sosial atau radio

Kata Kunci : harga, kesadaran merek, loyalitas merek

INTRODUCTION**Research Background**

In this era of globalization, competition is tight in all business sectors. In order to win the competition, companies must be able to deliver satisfaction to customers. Customer satisfaction attracts the survival of a business. When customer satisfaction is not fulfilled, then of course the customer will move on to another brand. One area of business has a pretty tight competition on the business field of mobile phone operators. The number of mobile operators requires them to compete in the competition by attracting many customers.

There has been considerable energy and turmoil in Indonesia's telecom sector over the last decade or so. Growth, both in subscriber numbers and in revenues, has been strong and more importantly, there are signs that the changes in the regulatory regime and operator restructuring are starting to have a positive effect on the industry. The mobile market has been especially positive. There was a good response to the launch of the more recent launch of 4G/LTE services. Whilst broadband users have grown on the back of a surge in mobile broadband subscriptions and smartphone sales, fixed internet connections remained relatively low, despite broadband development having accelerated. Fixed broadband penetration was still under 2% by 2017 and broadband household penetration was a low 5%.

Indonesia has 259.1 million population with 88.1 million active internet users, 79 million active social media users, 326.3 million mobile connections and 66 million active mobile social. With this huge prospect of consumers in Indonesia, bring telecommunication providers company enter this big market. Nowadays there are several major mobile telecommunication providers in Indonesia which are: Telkom/Telkomsel, Indosat, XL Axiata, Tri, SmartFren. These providers compete each other to gain Indonesian market share. One aggressive of them is Tri Provider.

Tri Provider or PT. Hutchison 3 Indonesia is telecommunication services provider company with national license in GSM and 4GLTE. Tri focusing in youth generation, and millennial generation customer to compete and make difference service with other provider who become main player of telecommunication in Indonesia.

Competition to attract customers, Tri Provider can be seen in many media through the ads they serve. So many programs and promos offered by Tri to consumers, ranging from free sms, free internet, until free conversation. One indicator in winning this competition is customer brand loyalty.

Tri offer methods to be used for the service provider in order to attract the attention of consumers and buy their products, such as; give lots of promo terms of quality and quantity, create the best ad and attractive as possible, enhance the brand image so that manufacturers can be recognized by consumers, cultivate customer loyalty to the provider, and improve quality so that consumers satisfied due to good quality services, as well as several other strategies. One of the challenges facing the company Tri operator is to maintain customer loyalty, especially to brand loyalty Tri.

The pricing technique of Tri-prepaid cards is also quite different from other prepaid cards, where by using Tri Always On (AON) Tri-card users are satisfied with very cheap prices and numerous bonuses, every purchase of at least Rp.5000 users will get various bonus, ranging from free phone call pulse, internet and sms, so the provider Tri is in great demand in every community.

Consumer awareness of Tri product brands is still relatively high as evidenced by the award obtained Tri on WOW Brand Champion 2014, the GSM operator managed by PT Hutchison 3 Indonesia, achieved recognition for the performance of mobile internet and mobile telecommunication services from MarkPlus, Inc. - the leading integrated marketing consultant in Indonesia. On September 11, 2014 Tri has been named "WOW Brand Champion 2014" two categories at once namely mobile internet operators and mobile telecommunications operators.

Consumer loyalty to a brand / product, is highly dependent on the ability of companies to provide price and brand awareness. Price and brand awareness are able to display of the overall perception of the brand and is formed of information and past experience to the brand. The brand awareness associated with the beliefs and attitudes towards a brand preference. A good image of a brand can lead to brand loyalty. It is important for the company to build a positive image of the brand that it produces, thus that brand image is built may be perceived by consumers. Through brand loyalty, a brand can survive in the minds of consumers that can be loyal to the brand that will be consumed. A strong brand awareness will influence consumers to be faithful to the products they consume. Price while contributing to brand loyalty was also able to give effect to customer satisfaction.

Research Objectives

Based on research problem, the objectives of this research is to find out a significant effect of :

1. Price to brand loyalty of Tri Provider at University Students of Unklab, De La Salle, Unima, Unsrat
2. Brand awareness to brand loyalty of Tri Provider at University Students of Unklab, De La Salle, Unima, Unsrat
3. Price and brand awareness that has the most significant impact to brand loyalty

THEORETICAL REVIEW**Marketing**

Kotler and Amstrong, (2013:53) Marketing means managing markets to bring about exchanges and relationships for the purpose of creating value and satisfying needs and wants., Thus it return to the definition of marketing as a process by which individuals or groups obtain what they need and want by creating and exchanging products and value with others.

Price

Kent and Omar, (2003:23) Price, which is an enduring element of the original P's of the marketing mix, may generally be perceived in terms of the specific monetary value that a customer attaches to goods and services.

Brand Awareness

O'Guinn, Allen and Semenik, (2009:17) Brand awareness is an important indicator of consumers' knowledge about a brand, the strength of a brand's presence in the consumers' minds and how easily that knowledge can be retrieved from memory.

Brand Loyalty

Sheth , Mittal and Newman, (2004:34) Brand loyalty is a measure of the extent to which consumers are loyal to a particular brand over a period of time, which emphasises a consistent repurchase of the same brand.

Previous Research

Pratama and Suprpto (2017). This study is about the effect of brand image, price, and brand awareness on brand loyalty, the rule of customer satisfaction The results of this study show that brand image and brand awareness positively effect brand loyalty, while price does not significantly effect brand loyalty. Further, the study found that brand image positively effects customer satisfaction.

Ojeleye and Calvin (2016). This study is about the impact of service quality and brand awareness on brand loyalty. This study concluded that brand awareness and service quality have significant positive influence on brand loyalty among mobile telecommunication subscribers in Zamfara state.

Dhurup, Mafini, and Dumas, (2014). This study is about the impact of packaging, price and brand awareness on brand loyalty: evidence from the paint retailing industry The results suggest that management should, inter alia, initiate and implement effective packaging, pricing and brand awareness in order to enhance consumers' brand loyalty to the company's products

Nadeem (2014). This study is about the study of brand credibility and brand awareness as positive predictors for brand loyalty Brand credibility and brand awareness both are the key elements in building brand loyalty, which is equally important for marketers and consumers.

Conceptual Framework

In this research conceptual framework is provided to create a comprehensive understanding of a phenomenon or phenomena that is being observed

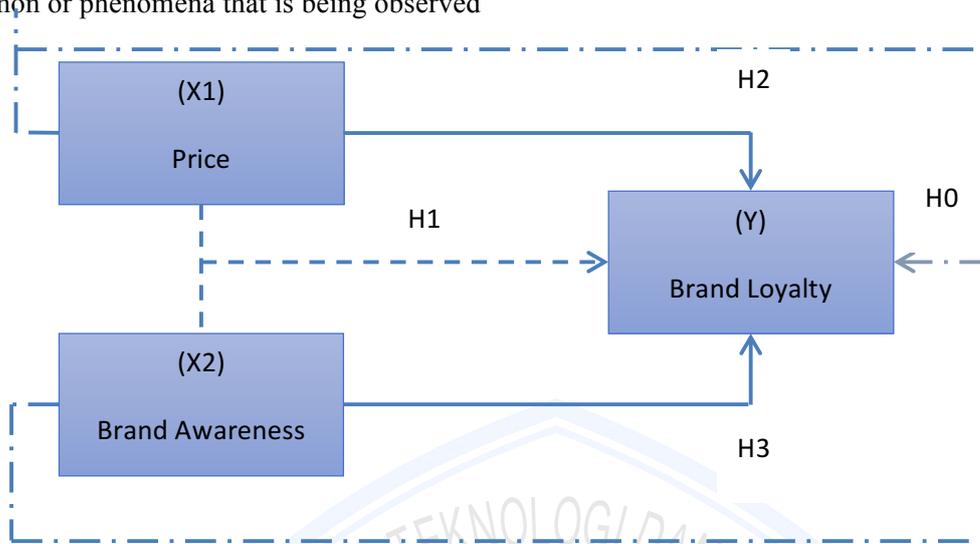


Figure 1. Conceptual framework

Source: *Theoretical Framework, 2017*

Hypothesis Testing

The hypothesis of this research are:

- H0 Price and brand awareness does not have significant impact on brand loyalty simmultaneously
- H1 Price and brand awareness have significant impact on brand loyalty simultaneously.
- H2 Price has a significant positive impact on brand loyalty partially.
- H3 Brand awareness has a significant impact on brand loyalty partially.

RESEARCH METHOD

Type of Research

This reasearch is causal type of research with quantitative as the method of the reasearch

Place and Time of Research

The place if this research will be conducted in university students of Unklab, DeLaSalle, Unima, and Unsrat. The research started from September 2017

Research procedure

Research procedures are the steps used to collect the data to answer the research questions posed in this study. The procedure of research in this thesis include research design, determine the object of study, determine the population and the sample, operational definition, the research instrument (questionnaire), the process of data collection, and data analysis.

Population and Sample

Population is the whole object or subject that is in a region and meet certain conditions related with research problem. Population is the entire group of people, events or things of interest that the researcher wishes to investigate, sample is a subset of a population that comprises some members selected from it. The sampling method that is use is convinience/accidental sampling. Sekaran and Bougie, (2010:19). The population in this research are university students in Unklab, De La Salle, Unima, and Unsrat.

The sample in this research are customer in university students of Unklap, DeLaSalle, Unima, and Unsrat. Amount of the research sample according to Rao (2006) in Kharis (2011:11) using the following formula:

$$n = \frac{Z^2}{4 (Moe)^2}$$

Based on the calculations, samples are 100 respondents

Data Collection Method

Data collection technique use in this study is the data that collected from the questionnaire of respondent by direct survey, go to the field and spread the questionnaire.

Data Analysis Method

Validity and Reliability Test

Validity is the level extent to which of precision and accuracy of a measuring instrument to perform the functions of measuring in this study is the questionnaire. An instrument has high validity if it can deliver results in accordance with the purpose of measuring the measurements itself which is valid at 0.01 level or higher. Reliability is measure by using Cronbach's Alpha coefficient, when the value of Cronbach's alpha increase the consistency also increases. Research instrument is acceptable if the test shows the alpha in the range of 0.7 and the reliability is good if above 0.80 (Sekaran and Bougie, 2010:18).

Multiple Regression

The analysis used in this study is the multiple linear regression analysis. Linear Regression is a statistical method used to form a model of the relationship between the dependent variable (the dependent responses, Y) with one or more independent variables (independent, predictor, x). If the number of variable are only one, it is known as simple linear regression, whereas if there is more than one independent variable, called linear regression.

Regression analysis has at least three functions, namely for the purpose of data or description of the phenomenon being studied cases, for control purposes, as well as prediction purposes. Predictions on the concept of regression should only be done in the data range of the independent variable used to form the regression model.

Multiple regressions are used to express the effect of independent variables and the dependent variable. The formula of linear regression (multiple linear regressions) in general as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

Description:

Y = Dependent Variable (Brand loyalty)

X1 = Price

X2 = Brand awareness

α = Constant

β_1 & β_2 = The Regression Coefficient of Each Variation

e = Error

RESULT AND DISCUSSION

Result

Testing of Classical Assumption

Multiple linear regression models should meet some basic assumptions as seen below:

Multicollinearity Test

Table 1. Result of Multicollinearity Test

Variable	Tolerance	VIF
Price	0.897	1.014
Brand Awareness	0.897	1.014

Source: SPSS Output (2017)

Based on result above the tolerance value of price is 0.897 and brand awareness is 0.897, meaning the tolerance value of each variable is more than 0.1. The VIF value of price is 1.014, and brand awareness is 1.014, meaning the VIF value of each variable is less than 10. Since all the tolerance value is more than 0.1 and the VIF value is less than 10, so this research is free from multicollinearity.

Heteroscedasticity



Figure 2. Result of Heteroscedasticity Test

Source: SPSS Output (2017)

Figure 2 shows that the pattern of points is spreading above and below of zero point in ordinate. This is proved that there is no heteroscedasticity in this regression.

Normality Test

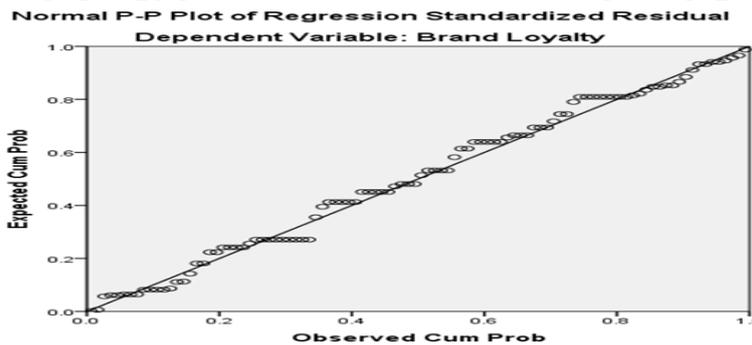


Figure 3. Normality

Source: SPSS Output (2017)

Figure 3 shows that the dots are spreading near the diagonal line and follow the direction of the diagonal line.

Hypothesis Testing

The Hypothesis test such as F-test and T-test will be useful in a situation to find out the relationship between dependent and independent variables.

F Test

Table 2 shows the result of F-test that determine the simultaneous effect of price (X1) and brand awareness (X2) on brand loyalty (Y)

Table 2. F Test Result

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	12.612	2	6.306	40.115	,000 ^b
1 Residual	15.249	97	.157		
Total	27.861	99			

Source: SPSS Output (2017)

In the Table 2 the value of Fcount 40.115 with 0,000 significant and then the Fcount is higher than Ftable, Fcount (40.115) > Ftable (3.939). Thus, H0 is rejected and H1 is accepted.

T Test

T-test is used to determine the partial effect of each independent variable to dependent variable. In this case it is used to test the partial effect of price (X1) and brand awareness (X2) on brand loyalty (Y), by performing comparison between value of t-count with value of t-table at $\alpha=0.05$

Table 3. T Test Result

Variables	Tcount	Ttable	Description
Price (X ₁)	8.877	1.984	Accepted
Brand Awareness (X ₂)	2.218	1.984	Accepted

Source: SPSS Output (2017)

Price (X₁) and Brand Loyalty (Y)

H1 accepted if Tcount > Ttable, that is mean price is significantly affect brand loyaty. H1 rejected if Tcount < Ttable, that is mean price is significantly affect brand loyalty. Table 4.5 shows that Tcount is 8.877 and since the level of significant is 45% (0.05) then the Ttable is 1.984. The result is Tcount = 8.877 > Ttable = 1.984. Since the Tcount is bigger than Ttable, then H0 is rejected and H1 is accepted. It means that variable price is significantly affected the brand loyalty.

Brand Awareness (X₂) and Brand Loyalty (Y)

H1 accepted if Tcount > Ttable, that is mean brand awareness is significantly affect brand loyaty. H1 rejected if Tcount < Ttable, that is mean brand awareness is significantly affect to brand loyalty. Table 4.5 shows that Tcount is 2.218 and since the level of significant is 45% (0.05) then the Ttable is 1.984. The result is Tcount = 2.218 > Ttable = 1.984. Since the Tcount is bigger than Ttable, then H0 is rejected and H1 is accepted. It means that variable brand awareness is significantly affected the brand awareness.

Multiple Correlation (R) and Coefficient of Determination (R²/R Square)

R and R²/R Square are used to see the relationship between independent and dependent variables.

Table 4. R and R²/R Square

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.673 ^a	.453	.441	.39649

a. Predictors: (Constant), Brand Awareness, Price

b. Dependent Variable : Brand Loyalty

Source: SPSS Output (2017)

Table 4.shows the R² is 0,453 which mean the independent variable affecting the dependent variable with 45,3%.

Result of Multiple Linear Regression Analysis**Table 5. Result of Multiple Linear Regression**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	,500	,450		1.113	.268		
1 Price	,562	,063	,671	8.877	.000	,987	1,014
Brand Awareness	,179	,081	,168	2.218	.029	,987	1,014

b. Dependent Variable : Brand Loyalty

Source: SPSS Output (2017)

The result in the table 4. can be expressed in regression equation as:

$$Y = 0.500 + 0.562 X_1 + 0.179 X_2$$

The interpretation of the equation is:

Constant 0.500 shows the influence of price (X_1), brand awareness (X_2) to the brand loyalty (Y). It means that if all the independent variables are zero, the brand loyalty (Y) as dependent variable is predict to be 0.500. 0.562 is the coefficient of price (X_1) meaning if there is one unit increasing in X_1 while other variables are constant then Y is predicted to increase by 0.562. 0.179 is the coefficient of brand awareness (X_2) meaning if there is one unit increasing in X_2 while other variables are constant then Y is predicted to increase by 0.179.

Discussion

The Influence Of Brand Price on Brand Loyalty

Price is one of the most susceptible factor of a product. When a price of product is high the quiality of a product also is good. But if companies increase the price without increase of keep the quality so the costumer satisfaction will be decrease so can be spoken that Price has influence the Brand Loyalty.

The Influence Of Brand Awareness On Brand Loyalty

Brand awareness has an important position on brand loyalty, because higher customer awareness of the product then it is easier for customers to choose which products they want. It means if brand awareness is high then brand loyalty will increased. That is why Brand awareness is effecting on brand loyalty.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

There are constructive findings that can be concluded from the overall result in this research, which are listed as follow

1. Price and Brand Awareness has significant effect to Brand Loyalty simultaneously. The increasing of these two variables will simultaneously increase the brand loyalty.
2. Price has significant effect to brand loyalty partially.
3. Brand awareness has significant effect to brand loyalty partially.

Recommendations

There are practicals recommendations that can be concluded from the overall result in this research, which are listed as follow:

1. The result shows that Price has the most significant influence towards Brand Loyalty to Tri Product in Students of Unklab, De La Salle, Unima, Unsrat. Therefore, the researcher suggest to paying attention on this factor. Because the price has a strong impact on the buyer decision, if the price given in accordance with the contents of the Tri-card product, and then the users of Tri product will be increased, therefore, to increase Brand Loyalty, Tri product must keep the price in line with the quality on offer.
2. Brand Awareness should also be considered intensively in order to improve the Brand Loyalty. Because Brand Awareness has a strong effect on consumer memory to make the buyer decision. And Tri products must also increase brand awareness as much as possible by adding some previously unavailable factors, such as brand ambassadors, and holding events announced in public through television, social media or radio to increase brand loyalty.

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