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The Influence of Brand Image on Customer Buying Behavior at PT. Duta Maha Jaya Medan

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ABSTRACT

Increased global competition, many organizations facing formidable challenges are increasingly using brand image as an important strategic management tool. Brand image allows producers to differentiate and position of products from that of competitors and assists consumers in the selection of an appropriate product. Brand image also included the customer responses to the brand name, sign or impression, and also represented the symbol of the product quality. A strong positive brand image is highly essential for corporations to compete effectively in today hyper competitive business environment. It enables corporations to gain competitive advantage by influencing consumer behavior and brand equity. PT. Maha Duta Jaya - Medan, which is engaged in sales of Yamaha motorcycles, must create a good brand image to face the market competition today. This to get greater sales revenue and having customer positive perception on company's products. As motorcycle has become a fashion trend among young people in Indonesia and market begin to offer various kinds and types of motorcycles made the competition gets tougher. To face this competition problem, company need to build brand image for company's product and company should to observe the customer buying behavior. Because customer buying behavior also changes with follow the offer which were given to. The research design used in this study is correlation research. The correlation research was designed by gathering necessary information as interviews and observations. Interviewing and observing company's customers will allow for the most up to date, valid information possible. The method of research in here is descriptive method. The relationship between brand image and customer buying behavior at PT. Duta Mahajaya – Medan. According to analysis of correlation coefficient Product moment r= 0,79 Which means there is a Strong Positive Relationship between variable X and variable Y. It's mean, brand image really influence to customer buying behavior. The results of this study indicate that there is a considerable influence of brand image on customer buying behavior. This can be seen from the relationship between the dimensions of brand image on customer purchase behavior, especially towards the model behavior.

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INTRODUCTION

Quality of the product and image of the company was contained in the brand. A brand is composed of products, packaging, promotion, advertizing as well as its overall presentation. Brand is a name in every customer mind and it is characterize by a noticeable name or symbol which can differentiate the goods and services from the rivals. Brand added value for what the consumer is ready to pay more, compared to an ordinary, unnamed product that fulfills the same desire. A strong brand can deliver for a company market leadership, a stable or sustainable competitive advantage, international reach, a platform from which to expand activities and long-term profit. It is a huge asset for companies. The image is also a crucial to the success of many corporations in differentiating product in today highly competitive markets and to meet the needs of the ever demanding customers. Image has strong effects on consumer behavior. It affects brand preferences, quality ratings and decisions. Concerning consumer psychology, it is a well known fact that many products differ less in what products are, but more in what seem to be.

According to Keller (2008: p. 64), Brand image is: "Deals with the psychological and social needs of a customer. It tells the customer what to expect. And what seem to be is largely determined by the products' brand images. In other words, brand image is what makes the consumer buy or not, which influence buying behavior. A strong positive brand image is highly essential for corporations to compete effectively in today hyper competitive business environment. It enables corporations to gain competitive advantage by influencing consumer buying behavior and brand image." Brand images are usually evoked by asking consumers the first words/images that come to customer's mind when a certain brand is mentioned (sometimes called top of mind). Brand image influences consumer perception and formation of attitude towards a particular brand.

Today, educated and well informed consumers often make purchase decisions relying more on brand image rather than its physical characteristics and are likely to convey the positive attitudes toward the brand if the brand name is associated with a positive image. A strong positive brand image has a direct impact on consumers' perceptions which are reflected in the purchase intentions and attitudes toward the brand. This leads to consumers' selection of favorable brands. The brand owners would thus benefit through greater sales revenue, better profitability and a higher level of brand loyalty. As such, a highly valued brand increases a company's brand equity and creates competitive advantage.

To get greater sales revenue and having customer positive perception on company's products, has make PT. Maha Duta Jaya - Medan, which is engaged in sales of Yamaha motorcycles, must maintain its good brand image to face the market competition today. Motorcycle has become a fashion trend among young people in Indonesia. Yamaha motorcycle is one of the most favorite motorcycle products in Indonesia. However, with many various brand and types of motorcycles also with a lot of offers which had market given to customers, makes the competition gets tougher. Customers get many choices in choosing and become more difficult to satisfy. This is also happened with PT. Duta Mahajaya Medan. In accordance with Yamaha motor's motto, "Yamaha is getting ahead", making this motorcycle company has always done an innovation. The innovations are such as the motor's type, engine quality and the development of the product in accordance with the times. Another advantage possessed by Yamaha motor is:

Have the resale value is higher than other brand products.

Maintenance and spare parts prices are also much cheaper also a lot of the authorized service workshop.

Strong body design, so that the motor can be used for long periods of time

Quality machine that is tailored to the types and kinds of motor.

All of those are the adventure of Yamaha's products and brand, company need to maintain its good brand image for company's product, because the company still have to compete with other companies where sales and brand more popular in Indonesia, especially in Medan. With the competitive market today and a lot of offers which had market given to customer, made PT. Duta Maha Jaya – Medan have to create a good brand image to differentiating its product. With this, company can get greater sales revenue and having positive perception of customer on company's products.

Brand image is indispensable for marketing where customers infer the quality of products by the brand image and are further stirred up the behavior of buying. Understanding the perspective of brand image are important because of influences on consumers' thinking. For depended variable (variable Y, customer buying behavior), in influence the customer behavior, manager should understand the models of customer behavior in buying. The customer buying behavior can be measured with Satisfaction which are loyalty and intentions, and also quality which are price and packaging.

With the breakdown of market boundaries, economic uncertainty, liberalization of trade blocs and increased global competition, many organizations facing formidable challenges are increasingly using brand image as an important strategic management tool. Brand image allows producers to differentiate and position of products from that of competitors and assists consumers in the selection of an appropriate product. Today, consumers often make purchase decisions relying more on brand image rather than its physical characteristics and are likely to convey their positive attitudes toward the brand if the brand name is associated with a

positive image. A strong positive brand image has a direct impact on consumers' perceptions which are reflected in purchase intentions and attitudes toward the brand. This leads to consumers' selection of favorable brands. The brand owners would thus benefit through greater sales revenue, better profitability and a higher level of brand loyalty. As such, a highly valued brand increases a company's brand equity and creates competitive advantage.

Brand image included the customer responses to the brand name, sign or impression, and also represented the symbol of the product quality. Brand image can be measured from two dimensions, namely the symbol and the function. With adjectives to measure the two dimensions, the measuring items mainly focused on the utility of the brand regarding the function, while words like symbolic, reputable, status symbol, and identifiable were contained in terms of symbolic image. Positive and negative adjectives, such as simple, romantic, successful, common, ordinary, obedient, calm, and elegant, were utilized to describe the characteristics of users. In order to build a healthy and durable relationship between a specific brand with its consumers, brand image and brand relationships take the center of attention. This successful connection between the brand and the consumers provides a memorable brand experience that keeps the consumers coming back for more. The process of building and sustaining brand image is dramatically changing from the tactical perspective formally practiced by junior managers in strategic perspective lead by the organization or top level management. Today, brand image plays an integral part in corporate strategy. The true significance of brand image can only be seen through the eyes of the consumer .

Hence, creating a strong brand image must not be construed from the brand owner's perspective; it must be from the view of the consumers. The image projected should have a significant meaning and coherent value to the targeted consumers. Familiar brands with strong brand image affect consumer behavior by providing consumers with practical benefits in facilitating consumer decisionmaking and choice, reduced risk, a feeling of confidence and security, and a sense of achievement and individuality. Consumers tend to select familiar brands with a strong impressive brand image rather than unfamiliar brands.

Customer behavior is the study of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences, to satisfy their needs and desires (Solomon et al., 2010: p. 75). Historically, studies on customer behavior have focused on decision making in regards to product, service, and brand. The field of customer behavior was in its early stages often referred to as buyer behavior, reflecting the interaction that takes place between the customers and the producers at the time of the purchase. However, today's marketers recognize instead that the concept of customers behavior is more of an on-going process, which includes the issues that influence the customers before, during, and after a purchase. salomon et al. (2010: p. 78) summarize the core of customer, culture, by saying that consumption goes far beyond solving practical and utilitarian problems; they argue that consumption is first and foremost a way of creating meaningful lives in the context of personal identity and social relationships. The experience of the use of products and services, as well as the enjoyment that comes with owning or consuming things and experiences, contribute to well-being, and quality of life and these results of consumption will affect future decision making among customers.

Consumer behavior involves the psychological processes that consumers go through in recognizing needs, finding ways to solve these needs, making purchase decisions (e.g., whether or not to purchase a product and, if so, which brand and where), interpret information, make plans, and implement these plans.

METHODOLOGY

The research design used in this study is correlation research. Correlation study is undertaken in order to certain and be able to correlate the characteristics of the variables of interest in a situation. The correlation research was designed by gathering necessary information as interviews and observations. Interviewing and observing company's customers will allow for the most up to date, valid information possible. The method of research in here is descriptive method. Descriptive method is the method that describes and talks about the nature something in a detail from of result. Descriptive method is the method that describes and talks about the nature something in a detail from of result. In which this method briefly show the situation, problem inside the situation and the way to solve, and handle the problem.

To obtain data or information that support the object of the research, writer used data collection techniques as questionnaire, which is intended to obtain information and data relevant from respondents through questions and equipped with a range of alternative answers available. In this case, Customer will be the population which will be gathered and analyzed. The total customer of company in writer research time is about 100 people. Sample is selected part of population that is taken to be representative of the whole population, In determining the number of sample, will use the Slovin Formula.

Data Collection Methods

In order to have an objective and accurate data and information needed in accomplishment of this research, the writer use methods of research, they are:

Primary data, such as: 1) Interview The writer makes an interview with Manager and staff of the company to get data. 2) Observation The writer directly observes the company's activities to get a point of view about the activities. 3) Questionnaire A research through collecting data by readi ng books, articles, and clipping which related to the topic of research. The theory collected is going to be used in analyzing the real condition in the company with the supportive theory. The variables for Brand image (Variable X) and Customer Buying Behavior (Variable Y) will be indicated by five values of appraisers according to Likert Scale, named: 5 = Strongly agree / very satisfy 4 = Agree / satisfy 3 = Average 2 = Disagree / dissatisfy 1 = Strongly disagree / very dissatisfy

Secondary data a. Library Research In this library research, the writer try to gets secondary data by reading text books and other complementary book or references which has relation to the topic discussed.

Data Analysis Methods

Validity is the second major requirement for a test. Validity tells whether the test (or yardstick) is measuring what its think supposed to be measuring.

Reliability is a test's first major requirement and refers to its consistency. A reliable test is one that yields consistent scores when a person takes two alternate forms of the test or when he or she takes the same test on two or more different occasions.

The coefficient of correlation to test the hypothesis in order to show the result of the hypothesis. In order to do so, has to find out the correlation between Independent Variable (Variable X) and Dependent Variable (Variable Y) by using Pearson Correlation formula.

Normality test is done in order to figure out whether the sample of the data is normal (have normal distribution). The Kolmogorov–Smirnov test can be modified to serve as a goodness of fit test.In the special case of testing for normality of the distribution, samples are standardized and compared with a standard normal distribution. This is equivalent to setting the mean and variance of the reference distribution equal to the sample estimates, and it is known that using these to define the specific reference distribution changes the null distribution of the test statistic.

Determination Coefficient being formulated, to find out the effect or influence of the independent variable (variable X) toward dependent variable (variable Y).

Regression analysis is a statistical technique that analyzes the linear relationships between two variables by estimating coefficients for an equation for a straight line. One variable is designated as a dependent variable and the other is called an independent or predictor variable.

Z test is used to test the hypothesis, whether to be accepted or to be rejected. In this term, the writer use z test.

RESULT
Validity Test

Question No.	Variable	R	Validity
1	X	0.728	Valid
2	X	0.645	Valid
3	X	0.533	Valid
4	X	0.460	Valid
5	X	0.693	Valid
6	Y	0.468	Valid
7	Y	0.535	Valid
8	Y	0.540	Valid
9	Y	0.728	Valid
10	Y	0.594	Valid

Reliability Test

As the number of questions (k) from both variables is 10 questions and the variance of individual question and total value has been determined, the writer is able to calculate the Alpha coefficient by substituting the resulted value into formula as shown below:

$$\alpha = (k / k\text{-}l) * (\textstyle\sum \sigma2 / \sigma2 \, t)$$
$$= (10 / 10 - 1) * (11{,}65 / 17.16)$$
$$= 0{,}75$$

By comparing with the scale of reliability, the alpha coefficient of 0,75 indicates Acceptable Data Reliability of data used in this research. The collected data is consistent

over time and reliable to be used further to the next analysis and testing.

Test of Correlation

$$r_{xy} = \frac{N . \sum XY - (\sum X)(\sum Y)}{\sqrt{[N. \sum X^2 - (\sum X)^2][N. \sum Y^2 - (\sum Y)^2]}}$$

$$= \frac{80(26.857) - (1.467)(1.458)}{\sqrt{[80(27.049) - 2.152.089][80(26.729) - 2.125.764]}}$$

$$= \frac{9.674}{\sqrt{(11.831)(12.556)}}$$

$$= \frac{9.674}{12.188,1}$$

$$= 0,79$$

The Value of rxy resulted from the calculation is 0,79. This value indicates that there is a Strong Positive Correlation between variable X and Y, by which the increase in the value of variable X, brand image, will increase the value of variable Y, customer buying behavior. Meanwhile, the decrease in the value of variable X, brand image will also decrease the value of variable Y, customer buying behavior.

Normality Test

			Brand Image	Customer Buying Behavior
N			80	80
Normal Parameters[a]	Mean		3.8750	4.3500
	Std. Deviation		1.07179	.81287
Most Extreme Differences	Absolute		.228	.326
	Positive		.180	.212
	Negative		-.228	-.326
Kolmogorov-Smirnov Z			2.040	2.912
Asymp. Sig. (2-tailed)			.078	.068

From the table above, test distribution is Normal because based on 80 sampled, the result are 0.78 and 0.68. This means that Z test level of more (>) than 0.05, it means that the distribution is normal.

Test of Determination

Through the test of determination, the writer will be able to identify how large the portion of variable Y will be determined by the variable X is. The closer determinant coefficient approach to 100%, the greater influence variable X contribution to the value of variable Y. The following is the calculation of determinant coefficient:

$= r^2 (100\%)$
$= (0,79)^2 (100\%)$
$= 62,41\%$

The determinant coefficient resulted is 62,41%. This value shows that 62,41% of variable Y, customer buying behavior is influenced and determined by the value of variable X, brand image , while the remaining 37,59% is influenced by other factors.

Test of Hyphotesis

As the data is ready and acceptable for this research, the writer will test the hypothesis already developed in this study. In this section, the writer will determine which hypothesis, H0 or HA, will be accepted or rejected in this research. The steps are briefly shown as below:

$$Z = \frac{r}{1 \sqrt{1(n-1)}}$$

$$Z = \frac{0.79}{1 \sqrt{1(80-1)}}$$

Zcount = 7.02

Ztable = 1.96

From the result of t count above it shows that the Z count is 7.02, and the amount in Z table is 1,96 which the Z count is larger than the Z table. Hence, H0 is rejected and HA is accepted which means brand image do influence customer buying behavior at PT. Duta Mahajaya – Medan.

DISCUSSION

The calculation of validity pre test for variable X and Y , brand image and customer buying behavior has proven that the ten questions at the questionnaire are valid and acceptable to be used at the next test of data quality.

The relationship between brand image and customer buying behavior at PT. Duta Mahajaya - Medan according to analysis of correlation coefficient Product moment r= 0,79 Which means there is a Strong Positive Relationship between variable X and variable Y. It's mean, brand image really influence to customer buying behavior.

According to the determination test, which show the result of 62,41%, means that the variable X, brand image contributed as much as 62,41% which influenced customer buying behavior.

According to the result of hypothesis, the value of Z – counted is on the area of refusing H0 and accepted HA. So, it is true that brand image have positive influence to customer buying behavior.

CONCLUSIONS

Brand image is important for company and its product. Brand image is a crucial to the success of many corporations in differentiating product in today highly competitive markets and to meet the needs of the ever demanding customers. It affects brand preferences, quality ratings and decisions. Brand image can effect on customer buying behavior. It concerning consumer psychology, it is a well known fact that many products differ less in what products are, but more in what seem to be (Warren & Nobbs, 2007: p. 339). And what seem to be is largely determined by the products' brand images. In other words, brand image is what makes the consumer buy or not. Brand image influences consumer perception and formation of attitude towards a particular brand. Educated and well informed consumers often make purchase decisions relying more on brand image rather than its physical characteristics and are likely to convey the positive attitudes toward the brand if the brand name is associated with a positive image. A strong positive brand image has a direct impact on consumers' perceptions which are reflected in the purchase intentions and attitudes toward the brand. This leads to consumers' selection of favorable brands.

RECOMMENDATION

According to questionnaire that the writer gave which is You are agree that this brand have its own image in Market, as much as 13.8% of respondents do not agree of this. Management of company is expected to conduct regular market surveys. This is to support and analyze the development of a rival company's brand image in the market. Moreover, by conducting a market survey, the management of company may make improvements and improving the quality of product and be able to know and follow the changes in the market.

Management of the company is expected to implement the right strategy to further enhance Yamaha's brand image in the market later. Because from the questioners which are given, still have respondents who feel that the brand image of other company is much better.

Based on questionnaire for Variable X no. 5, which is You can get all information about this product easily, as much as 16.3% respondents do not agree of this. Management should do promotion to promote kinds and types of Yamaha's motorcycle to increase the level of information to customers. When customers know about the various kinds

and types, customers will interested to know further about Yamaha's motorcycles and this will attract the attention of customers and desire to make a purchase.

Based on the Questionnaire of Variable Y no. 8, which is you agree that the quality of this brand are suitable with the price, as much as 77.5% respondents agree of this question. Management of the company is expected to maintain the total quality of motorcycle and the machinery also do innovations on the motor's body and its shape in order to remain competitive in the market and gain customer attention.

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