

Study of Brand Equity in Terms of the Role of Integrated Marketing Communication, Perceived Quality, and Brand Awareness

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ABSTRACT

The aim of this research is to examine the impact of integrated marketing communications, perceived quality, and brand awareness on Scarlett skincare brand equity. This study includes a sample of 100 respondents who used Scarlett skincare. The sampling technique was determined by purposive sampling. Data collection in this study was done using survey method, with a questionnaire as the research instrument. The data analysis was performed using multiple linear regression. This research produces that Integrated Marketing Communication, Perceived Quality and Brand awareness has a positive and significant impact on Scarlett skincare brand equity.

INTRODUCTION

Business competition in the beauty industry causes the brands available on the market to become increasingly diverse in terms of the types offered and product brands available. The cosmetics industry is increasing every year because it is driven by high demand. According to the Indonesian Ministry of Industry (2020), there were 797 large cosmetics companies and SMEs in Indonesia in 2019, compared to 760 the previous year. The Food and Drug Supervisory Agency (BPOM) stated that in 2021 there would be 819 beauty industry companies and this would grow by 20.6 percent in July 2022 to 913 beauty industry companies in Indonesia (Kompas, 2023).

The rapid development of new brands, both local and international, in the market makes competition increasingly tight. To be able to compete with various brands emerging on the market, marketer need to pay attention to marketing strategies, one of which is brand equity. Brand equity influences consumers' sense of self-confidence to be motivated to make purchasing decisions based on past experiences in close proximity, associations with various brand characteristics (Kotler, 2012). The role of brand equity holds great significance for companies. because it can strengthen the brand of a product in the minds of consumers.

Brand equity is a brand liabilities and a set of assets such as brands, names and symbols given to a product or service with the aim of adding or reducing value to the company or consumers (Aaker, 2020). Brand equity describes as a company's effort to provide added value that makes consumers feel, think and act well about price and the brand, the benefits the brand provides to the company and market share (Kotler & Keller, 2016). Factors that influence brand equity include integrated marketing communications (Wardhani & Rahardjo,2021), perceived quality (Raharja & Aksari, 2019), and brand awareness (Lego & Widjaya, 2021).

Integrated marketing communications as a form of process planning to ensure that a brand of a product, service or organization can be accepted by consumers consistently from time to time (Kotler & Keller, 2016). IMC is communication steps starting from planning, creating, integrating and implementing forms of marketing communication: advertising, publications, events, marketing promotions to produce promotional messages that focus on consumers (Shimp, 2018; Boone & Kurtz, (2010)) Effective IMC can have a significant impact on increasing brand equity (Umami & Transistari, 2020; Habibah et al., 2023). Different research results explain that IMC does not significantly impact the level of brand equity (Habibah et al., 2023).

Perceived quality is another factor that influences brand equity. perceived quality is the brand name and image, as well as the company's responsibility for the product in question. (Tjiptono & Chandra, 2016). A good quality perception is if a products or services can be in accordance with what consumers expect. The perceived quality can be a basis for consumers in making purchases, influencing the product or service brand in considerations that influence the brand to be purchased (Aaker, 2020). Perceived quality in influencing brand equity has been proven by previous studies which state that

perceived quality positively and significantly influences the value of brand equity (Raharja & Aksari 2019; Pandiangan et al., 2021). Other research shows that perceived quality is not a factor that influences brand equity (Qiao et al., 2022).

Brand equity is also determined by brand awareness, namely the ability of consumers to remember or know the existence of a brand as a member of a particular product category (Tjiptono, 2019; Aaker, 2020). Consumers who have strong brand awareness will have a significant impact on increasing brand equity (Nurdiyanto & Purnomo 2020; Harahap et al., 2022). However, there are research results which state that brand equity is not significantly affected by brand awareness (Nugroho et al., 2020).

The main problem raised in this research is that based on the presentation of previous research results, there is a research gap regarding the factors that influence brand equity, so there is a need for further research regarding "Brand Equity Studies in View of the Role of Integrated Marketing Communications, Quality Perceptions, Brand Awareness"

THEORETICAL REVIEW

Integrated Marketing Communications (IMC)

Integrated marketing communication is the idea of coordination carried out by a company with the aim that the message conveyed by the company regarding the products it offers can be received by consumers well, clearly, consistently and convincingly (Kotler and Armstrong, 2018). Companies that have strong brand equity can compete, capture and control market share (Wiasuti dan Kimberlee, 2018).

There are several indicators of integrated marketing communications: direct marketing; advertising; public relations; sales promotion; personal selling; and internet marketing (Prisgunanto, 2009).

Perception of Quality

Perceived quality is a consumer's evaluation of the superiority or quality of the product as a whole, so the assessment of perceived quality is based on the results of the consumer's evaluation of the product quality (Tjiptono, 2019). Perceived quality is related to the perception that consumers expect of the quality or superiority of a product or service (Aaker, 2020).

There are several indicators of perceived quality: performance; reliability; features; durability; quality of conformity; and style (Sopiah & Sangadji, 2016).

Brand Awareness

Brand Awareness is the capacity of consumers to identify or recognize brands within a category (Aaker, 2020). Brand awareness is the ability of consumers to remember or recognize a brand, a product is part of a certain group that is processed by the company with the aim of increasing equity in the company over a long period of time (Arif & Purwanti, 2018).

There are several indicators of brand awareness: top of mind; brand recall; brand recognition; unaware of brand (Aaker, 2020).

Brand Equity

Brand equity is adding or reducing the value given to a product or service in terms of brand association, brand loyalty, and brand awareness (Aaker, 2020). Brand equity is the value added to a product or service. This added value can be described through consumers' thoughts, feelings and actions regarding profitability, market share, price and company brand (Kotler dan Keller, 2016).

There are several indicators of brand equity: perceived quality; brand association; brand assets ; brand loyalty; and brand awareness (Aaker, 2020).

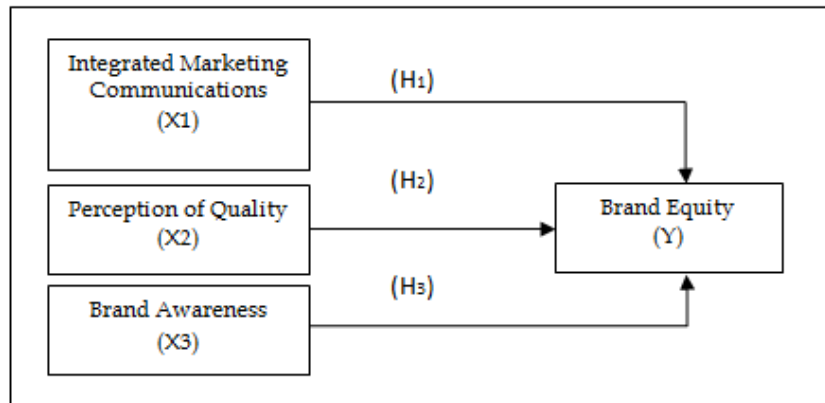


Figure 1. Conceptual Framework

Table 1. Hypothesis

H1	:	Integrated marketing communications positively and significantly influence brand equity.
H2	:	Perceived quality positively and significantly influence brand equity.
H3	:	Brand awareness positively and significantly influence brand equity.

METHODOLOGY

The research method used is a quantitative method which aims to test the research hypothesis. The population in this study is Scarlett skincare consumers and this research is infinite who have purchased and used Scarlett skincare in the last three months when the research took place. In this research, sample determination was carried out using the Lemeshow formula, so with calculations using the Lameshow formula the results were 96.04 which was rounded up to 100 respondents. The data collection method uses a questionnaire which is measured on a 5 point Likert scale. The data analysis tool used is SPSS. Indicators of integrated marketing communications include: (1) direct marketing; (2) sales promotion; (3) public relations; (4) personal selling; (5) advertising ; (6) internet marketing. Indicators of perceived quality include: (1) performance; (2) reliability; (3) features; (4) durability; (5) quality of conformity; (6) style. Indicators of brand awareness include: (1) top of mind; (2) brand recall; (3) brand recognition; (4) unaware of brand. Brand equity

indicators include: (1) brand awareness; (2) brand association; (3) perceived quality; (4) brand loyalty; (5) brand assets.

RESULTS

Validity Test Results

The validity test is the degree of accuracy of the similarity between the researcher's data and the actual data obtained directly from the research subject (Sugiyono,2017). Validity is evident from a critical value that can be considered valid if the significance value is less than 0.05. If the significance value exceeds 0.05, it is considered invalid. The validity test results of this study are shown below:

Table 2. Validity Test Result

Indicator	r count	sig	Conclusion
Integrated Marketing Communication			
X1P1	,746	,000	Valid
X1P2	,697	,000	Valid
X1P3	,746	,000	Valid
X1P4	,724	,000	Valid
Perceived Quality			
X2P1	,620	,000	Valid
X2P2	,664	,000	Valid
X2P3	,622	,000	Valid
X2P4	,757	,000	Valid
X2P5	,649	,000	Valid
X2P6	,549	,000	Valid
Brand Awareness			
X3P1	,692	,000	Valid
X3P2	,654	,000	Valid
X3P3	,778	,000	Valid
X3P4	,801	,000	Valid
Brand Equity			
YP1	,680	,000	Valid
YP2	,734	,000	Valid
YP3	,694	,000	Valid
YP4	,746	,000	Valid
YP5	,661	,000	Valid

Based on Table 1, Integrated Marketing Communication (X1), Perceived Quality (X2), and Brand Awareness (X3), the dependent variable Brand Equity (Y) have a significance value of 0,000. which is less than sig = 0.05. This means that the questionnaire research instrument used is declared valid.

Table 3. Reliability Test Result

Variabel	Cronbach's Alpha (α)	Critical Value	Conclusion
Integrated Marketing Communication	,702	,60	Reliable
Perceived Quality	,718	,60	Reliable
Brand Awareness	,706	,60	Reliable
Brand Equity	,743	,60	Reliable

Based on table 3 shows that the Integrated Marketing Communication coefficient (X1). Perceived Quality (X2), Brand Awareness (X3), and Brand Equity (Y) have a value greater than the critical value of 0.60, so the statement items in this research questionnaire are said to be reliable. It can be concluded that the statement instrument used in this research is said to be reliable and consistent so that it can be trusted as a research measuring tool.

Table 4. Reliability Test Result

One-Sample Kolmogorov-Smirnov Test			
		Unstandardized Residual	
N		100	
Normal Parameters ^{a,b}	Mean	,0000000	
	Std. Deviation	1,80460169	
Most Extreme Differences	Absolute	,054	
	Positive	,036	
	Negative	-,054	
Test Statistic		,054	
Asymp. Sig. (2-tailed)		,200 ^{c,d}	
Monte Carlo Sig. (2-tailed)	Sig.	,920 ^e	
	99% Confidence Interval	Lower Bound	,913
		Upper Bound	,927
a. Test distribution is Normal.			

Table 4 shows the normality test with the One-Sample Kolmogorov-Smirnov Test. According to the criteria, if the significant result > 0.05 means the data is considered normally distributed, while a significant result < 0.05 means the data is considered not normally distributed. Table 4.9 shows the Monte Carlo Sig value. (2-tailed) is 0.920 which is greater than 0.05, from this study it can be concluded that the data are normally distributed.

Table 5. Reliability Test Result

Model	Collinearity Statistic		Conclusion
	Tolerance	VIF	
(Constant)			
Integrated Marketing Communication	,897	1,114	Multicollinearity does not occur
Perceived Quality	,585	1,710	Multicollinearity does not occur
Brand Awareness	,624	1,603	Multicollinearity does not occur

Table 5 shows the multicollinearity test shows that the Integrated Marketing Communication variable (X1) has a tolerance of 0.897 with a VIF value of 1.114. The Quality Perception variable (X2) has a tolerance of 0.585 with a VIF value of 1.710. The Brand Awareness variable (X3) has a tolerance of 0.624 with VIF value 1.603. It was concluded that integrated marketing communication, perceived quality and brand awareness were said to be good or free from symptoms of multicollinearity because the tolerance value was > 0.10 and the VIF value are < 10.00 as explained. Based on this, it is concluded that this research does not experience multicollinearity.

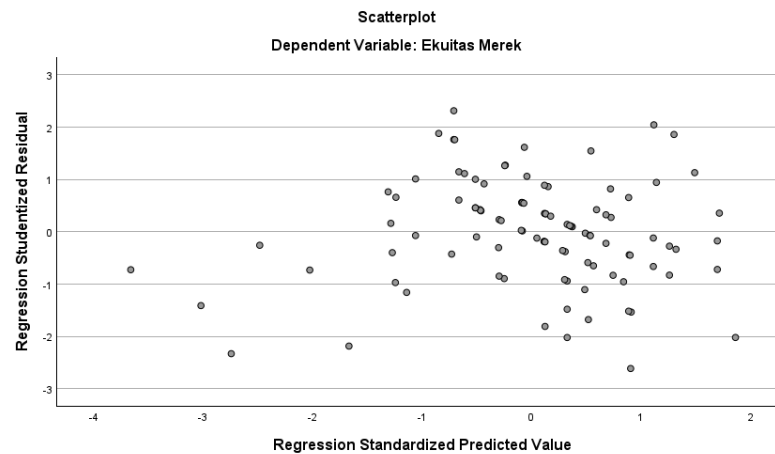


Figure 2. Heteroscedasticity Test Results

According to Figure 2, it can be observed that the dots are scattered across the area, with the numbers around 0 appearing either above or below the Y-axis, and no particular pattern is visible. Based on this, it is concluded that this research does not disturb the heteroscedasticity assumption so that it is considered a good and ideal regression model.

Table 6. Multiple Linear Regression Test Results

Model		Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-0,935	2,129		-,439	,662		
	Integrated Marketing Communication	,358	,104	,261	3,449	,001	,897	1,114
	Perceived Quality	,341	,084	,381	4,062	,000	,585	1,710
	Brand Awareness	,376	,127	,269	2,962	,004	,624	1,603

a. Dependent Variable: Brand Equity

Table 6 shows then the multiple linear regression equation can be expressed as follows:

$$Y = -0.935 + 0.261 X_1 + 0.381 X_2 + 0.269 X_3 + e$$

The regression equation explains that integrated marketing communications, perceived quality dan brand awareness positively impacts brand equity.

The results of hypothesis testing using the t test are as follows:

1. Testing Hypothesis 1 : The effect of integrated marketing communications on brand equity
The results of testing hypothesis 1 obtained a significance value (p) of $0.001 < 0.05$. The test shows that Ho 1 is rejected in this study and Ha 1 is accepted, this means that integrated marketing communication significantly and positively affects Scarlett's skincare brand equity.
2. Testing Hypothesis 2 : The effect of perceived quality on brand equity
The results of testing hypothesis 2 obtained a significance value (p) of $0.000 < 0.05$. The test shows that Ho 2 is rejected in this study and Ha 2 is accepted, this means that perceived quality significantly and positively affects Scarlett's skincare brand equity.
3. Testing Hypothesis 3: The effect of brand awareness on brand equity
The results of testing hypothesis 3 obtained a significance value (p) of $0.004 < 0.05$. The test shows that Ho 3 is rejected in this study and Ha 3 is accepted, this means that brand awareness significantly and positively affects Scarlett's skincare brand equity.

Table 7. Coefficient of Determination Test Results (R²)

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,711a	,505	,490	1,833	1,601
a. Predictors: (Constant), Brand Awareness, Integrated marketing communications, Perceived Quality					
b. Dependent Variable: Brand Equity					

Table 7 shows the statistical analysis determined in this research, the Adjusted R Square value is 0.490 or 49.0%. This means that brand equity is influenced by integrated marketing communications, perceived quality and brand awareness as much as 49.0% and the other 51.0% is explained by other factors not researched.

DISCUSSION

The effect of integrated marketing communications on brand equity

Hypothesis test results (H1) prove that integrated marketing communication has a positive and significant effect on Scarlett's skincare brand equity. These findings explain that effective IMC can increase the brand equity of a product, whereas if IMC is deemed ineffective it will reduce the level of brand equity. The results of this study align with the findings from previous researchers, which stated that IMC is a factor that significantly influences brand equity (Perwito, et al., 2020; Theodora, 2021; Maulana, 2023; Hamdani & Prihantoro, 2020).

The effect of perceived quality on brand equity

Hypothesis test results (H2) prove that perceived quality has a positive and significant effect on Scarlett skincare brand equity. These findings explain that if consumers have a positive perception of product quality, this will significantly increase brand equity, and vice versa. The results of this study align with the findings from previous researchers, which states that perceived quality is a determining factor that influences the high and low levels of brand equity (Raharja & Aksari, 2019; Pandiangan, et al., 2021; Hidayat & Martini, 2019).

The effect of brand awareness on brand equity

Hypothesis test results (H3) prove that brand awareness has a positive and significant effect on Scarlett's skincare brand equity. These findings explain that strong brand awareness can increase the brand equity of a product, whereas if brand awareness is in the low category it will reduce the level of brand equity. The results of this study align with the findings from previous researchers, which stated that brand awareness is a factor that significantly influences brand equity (Nurdiyanto & Purnomo 2020, Stevi & Artina (Stevi & Artina, 2022, Harahap et al., 2022).

CONCLUSIONS AND RECOMMENDATIONS

Integrated marketing communications significantly and positively influence the brand equity of Scarlett skincare. This statement explains that

effective integrated marketing communications can be useful in increasing brand equity. On the other hand, if integrated marketing communications is not effective, it will reduce the value of brand equity. Perceived quality significantly and positively impacts the brand equity of Scarlett skincare. This statement explains that good quality perceptions will increase brand equity. On the other hand, if the perceived quality is considered not good, it will reduce the brand equity value. Brand awareness significantly and positively influences the brand equity of Scarlett skincare. This statement explains that strong brand awareness will increase brand equity. On the other hand, if brand awareness is in the low category, it will reduce the brand equity value.

Based on the findings of the descriptive analysis of the research results, it is recommended for marketers of Scarlett skincare products to carry out product demonstrations to further convince consumers and maximize social media marketing with the Instagram Ads feature to promote or market products. It is recommended for marketers of Scarlett skincare products to provide product tasters to convince consumers whether the product contains ingredients that will make facial or body skin sensitive or are not suitable for facial or body skin. It is recommended for marketers of Scarlett skincare products to carry out brand extensions so that the brand is increasingly remembered or known by consumers. It is recommended for marketers of Scarlett skincare products to improve consumer service such as answering consumer questions, receiving feedback, and providing solutions to consumer complaints in a friendly and fast manner so that it will increase consumer loyalty.

FURTHER STUDY

Based on the outcomes of this research, it is hoped that other variables that influence the brand equity variable can be studied by further researchers, considering that in this research, the adjusted R-squared value is still in the low category. Besides that, for further research in the study of consumer purchasing behavior, it is necessary to differentiate between offline and online purchases.

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