

The Influence of Brand Image and Brand Awareness on Brand Loyalty in Packaged Drinking Water Ades in Surabaya City

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ABSTRACT

The study aims to understand the influence of brand image and brand awareness on the brand loyalty of Ades bottled drinking water in Surabaya. The method employed is a quantitative study with a sample of 100 individuals using purposive sampling technique. Data were collected through questionnaires distributed to residents of Surabaya. The variables used include brand image (X1) and brand awareness (X2) as independent variables, and brand loyalty (Y) as the dependent variable. Data analysis using the Partial Least Squares (PLS) method indicates that the better the brand image and brand awareness, the higher the brand loyalty of Ades bottled drinking water in Surabaya.

INTRODUCTION

At present, there is a multitude of instant products available, each with its unique advantages. The competition among companies producing bottled drinking water has led consumers to become highly discerning in terms of their loyalty. In today's society, purchasing decisions are often rational and selective, taking into consideration both brand image and brand awareness.

With the emergence of new products and advancements in existing ones, manufacturers are striving to create the best products that resonate with the public. Every company must uphold its brand image to attract consumers. Brand image refers to the perceptions and impressions consumers hold about a brand (Tjiptono, 2008). If a company's overall image is perceived positively, the brand's image within the industry will also be held in high regard in the future. Companies not only need to focus on brand image but also on brand awareness to attract potential consumers. According to Kotler and Armstrong (2016), "Brand awareness reflects the extent to which consumers can recognize and recall a particular brand and have relevant associations with that brand." This encompasses consumers' ability to identify, remember, and comprehend the attributes or qualities associated with that brand. Brand awareness can comprise two aspects: recognized brand awareness and top-of-mind brand awareness. Brand loyalty, as defined by Kotler and Armstrong (2016), represents the degree to which consumers consistently opt for and purchase a specific brand over competing brands in the same product category. Brand loyalty signifies consumers' allegiance and preferences toward that particular brand.

Currently, in Indonesia, there are numerous producers of packaged drinking water, each with distinct brands like Aqua, Club, Ades, Cleo, Vit, and Le Minerale. Each brand offers its own advantages. PT. Coca-Cola Amatil Indonesia is one such producer, responsible for the packaged drinking water brand Ades. In Indonesia, the Aqua brand appears to dominate the packaged drinking water market. Nonetheless, Ades has formulated a strategy to become the top packaged drinking water company in Indonesia. By promoting an ecological lifestyle through its brand image, Ades leverages this concept, given the prominent environmental and health concerns of today. Ades also educates consumers about an eco-friendly lifestyle through the "Pilih, Minum, Remukkan" (Choose, Drink, Crush) movement, which constitutes a form of contribution towards a more sustainable Earth. This brand image of Ades sets it apart from competitors in the industry due to its innovative and outstanding approach.

However, the quality of Ades' products falls short of consumer expectations. The design of Ades products is relatively ordinary, focusing on an eco-lifestyle theme aimed at reducing plastic usage. To minimize production costs and maintain competitive pricing compared to other brands, Ades employs thinner bottles. Regrettably, this has led to susceptibility to damage upon initial purchase and difficulties in opening.

The objective of this research is to analyze the impact of brand image and brand awareness on the loyalty towards the Ades packaged drinking water brand in Surabaya City.

LITERATURE REVIEW

Brand Image

The concept of brand image, a central element in the marketing domain, encompasses the intricate network of perceptions and associations that individuals link to a brand. This cognitive portrayal originates from a brand's identity, character, values, and positioning. Substantial research highlights its significant impact on consumer conduct, revealing that a favorable brand image can result in heightened consumer confidence, inclination, and allegiance. The shaping of brand image is influenced by a range of factors, including marketing communications, product quality, brand messaging, and customer encounters. In the competitive landscape, comprehending the intricacies of brand image proves indispensable in devising effective marketing strategies that align with consumers' perceptions and aspirations. As outlined by Kotler, Keller, Ang, Leong, and Tan (2016), brand image signifies the perception, portrayal, and connections established in consumers' minds concerning a brand. It encompasses the entirety of impressions, convictions, sentiments, and encounters linked with the brand from the perspective of consumers. This brand image originates from consumers' interactions with the brand, encompassing communication, products, services, and encounters provided by the company.

Brand Awareness

Brand awareness, a cornerstone in marketing, signifies the degree to which consumers can identify and remember a specific brand. This cognitive recognition acts as an entry point to consumer interaction and decision-making procedures. Research emphasizes its crucial role in establishing a brand's presence in the market and constructing the basis for brand equity. Effective marketing endeavors, like advertising campaigns and strategic online visibility, are pivotal for augmenting brand awareness. Scholarly observations unveil that increased brand awareness contributes to improved consumer familiarity, subsequently influencing their preferences and purchase inclinations. Evaluating brand awareness often includes aided and unaided recall assessments to assess consumer recognition levels. The import of brand awareness extends beyond individual product domains, shaping consumer assessments of the complete brand portfolio. By nurturing elevated brand acknowledgment, enterprises can establish a foundation for cultivating consumer allegiance and simplifying forthcoming brand engagements. Kotler, Keller, Ang, Leong, and Tan (2016) explain that brand awareness pertains to the extent of familiarity and comprehension that consumers possess regarding a brand. This encompasses the degree to which consumers can identify and recollect a specific brand and form relevant connections with it. Brand

awareness holds a pivotal role in impacting consumer choices when making purchases and in cultivating a robust brand image.

Brand Loyalty

The concept of brand loyalty holds a central role in both marketing and consumer behavior, illustrating a consumer's dedicated commitment and recurring support for a specific brand. This loyalty results from a favorable and enduring relationship between consumers and brands, formed through a combination of elements including contentment with products, brand interactions, and emotional ties. Research highlights its importance as a predictor of business success, as devoted customers frequently contribute significantly to a company's revenue and act as brand advocates. Establishing and maintaining brand loyalty require consistent endeavors to surpass consumer expectations, guaranteeing top-notch products and exceptional customer care. Scholars emphasize trust and a sense of affiliation as factors that nurture brand loyalty, while modern technological advancements have introduced novel avenues to foster loyalty through personalized marketing techniques and digital platform engagement. The understanding of brand loyalty has advanced from mere transactional allegiance to encompass attitudinal and behavioral commitment, capturing the depth of a consumer's bond with the brand. In the face of competitive markets, a comprehensive comprehension of brand loyalty's multifaceted nature is essential for formulating effective retention strategies and cultivating lasting brand-consumer relationships. Kotler, P., Keller, K. L., Ang, S. H., Leong, S. M., & Tan, C. T. (2016) elaborate that brand loyalty embodies the depth of consumer allegiance and favoritism directed towards a particular brand within a given product category. It mirrors the inclination of consumers to consistently opt for and buy that brand, setting it apart from rival offerings.

Influence of Brand Image on Brand Loyalty

According to Shafiq et al. (2020), brand image has a positive and significant influence on brand loyalty. They found that consumers' perceptions of a strong, cohesive, and positive brand image tend to enhance consumer loyalty to the brand. The investigation into how brand image affects brand loyalty is a crucial facet in the marketing and consumer behavior landscape. Brand image, encompassing the associations and impressions consumers link with a brand, has been identified as a potent factor influencing consumer loyalty. Research in this field highlights the significant influence of a positive brand image on cultivating enduring brand loyalty. This bond stems from consumers' emotional and cognitive reactions to the brand's identity, values, and overall presentation. Scholars have unveiled that a robust and favorable brand image can contribute to cultivating deeper trust, affinity, and connection, thus heightening the likelihood of recurrent purchases and prolonged engagement. Within this intricate interplay of crafting a desirable brand image and its resultant loyalty, businesses discover opportunities to distinguish themselves in competitive markets and solidify their standing in consumers' minds and emotions. Appreciating this dynamic correlation is pivotal in

devising strategic approaches that not only shape brand perceptions but also nurture the enduring loyalty essential for sustained business prosperity.

Influence of Brand Awareness on Brand Loyalty

The study of how brand awareness impacts brand loyalty holds a significant place in the field of marketing and consumer behavior. Brand awareness, representing the degree to which consumers can identify and remember a specific brand, has emerged as a vital precursor to brand loyalty. Comprehensive research emphasizes the crucial role that brand awareness plays in molding and fostering consumer loyalty. This correlation originates in the initial stages of consumer involvement, where heightened awareness contributes to the establishment of a recognizable and memorable brand identity. Scholars have illustrated that robust brand awareness, often fueled by effective marketing strategies and consistent brand communication, forms the foundation for cultivating deeper consumer relationships and consequently, fostering brand loyalty. This complex interplay between elevating brand awareness and the resulting brand loyalty provides businesses with a strategic avenue not only to gain prominence in competitive markets but also to cultivate enduring connections with consumers. Grasping this connection is pivotal in devising comprehensive marketing strategies that encompass the complete range of consumer-brand interactions, starting from initial awareness to sustained loyalty, thereby contributing to the sustained success of businesses.

Based on Kotler and Armstrong (2016), the higher the product quality, the greater the likelihood that consumers will buy it. Therefore, it can be concluded that product quality is strongly related to purchasing decision issues. Consumers are more likely to buy if the product is of good quality, but if the product doesn't meet their expectations, they will switch to other similar products).

METHODOLOGY

For the implementation of this research, a quantitative approach is employed. The sample selection was carried out using a non-probability sampling method using the purposive sampling technique, with a total sample size of 100 individuals from the domicile of Surabaya City. Data collection was done through distributing questionnaires to residents in Surabaya. The variables used in this study are the independent variables, namely brand image (X1) and brand awareness (X2), while the dependent variable is brand loyalty (Y). For data analysis, the partial least squares (PLS) method is used to test the relationship between one or more independent variables and one or more dependent variables.

RESULT AND DISCUSSION

The validity of indicators can be evaluated using the cross-loading table. If the loading factor of each indicator in a variable is higher than the loading factor of those indicators in other variables, then that loading factor is

considered valid. However, if the loading factor is lower than the indicators of other variables, then that loading factor is considered invalid.

Table 1. Cross Loading

<i>Indicator</i>	<i>Brand Image (X1)</i>	<i>Brand Awareness (X2)</i>	<i>Brand Loyalty (Y)</i>
X1.1	0,869198	0,465124	0,494094
X1.2	0,918960	0,579306	0,564708
X1.3	0,722636	0,756055	0,482694
X2.1	0,668646	0,897931	0,540230
X2.2	0,603073	0,910815	0,657023
X2.3	0,680461	0,927106	0,581934
Y1.1	0,607415	0,586499	0,895312
Y1.2	0,482343	0,558344	0,904406
Y1.3	0,552681	0,559882	0,893828
Y1.4	0,513780	0,600579	0,833072

Source: Data Analysis Results

From the cross-loading data analysis, it was found that all load factors for each metric (black) in the variables Brand Image (X1), Brand Awareness (X2), and Brand Loyalty (Y) show higher load factor values compared to the indicator loadings of other variables. Therefore, all indicators in this study can be considered valid.

Table 2. Average Variance Extracted (AVE)

	AVE
<i>Brand Image (X1)</i>	0,707399
<i>Brand Awareness (X2)</i>	0,831797
<i>Brand Loyalty (Y)</i>	0,778118

Source: Data Analysis Results

From the Average Variance Extracted (AVE) testing, it was found that variable (X1) has a value of 0.707399, variable (X2) has a value of 0.831797, and variable (Y) has a value of 0.778118. All three variables have values greater than 0.5. Therefore, all variables in this study can be considered to have good validity.

Table 3. Composite Reliability

	Composite Reliability
<i>Brand Image (X1)</i>	0,877775
<i>Brand Awareness (X2)</i>	0,936841
<i>Brand Loyalty (Y)</i>	0,933392

Source: Data Analysis Results

The results of the Composite Reliability testing indicate that variable (X1) has a value of 0.877775, variable (X2) has a value of 0.936841, and variable (Y) has a value of 0.933392. All three variables have Composite Reliability values exceeding 0.70. Therefore, it can be concluded that all variables in this study can be considered reliable.

Inner Model Measurement

In the structural model testing, the R-Square value is used as an indicator to assess the model's goodness of fit. Inner model testing involves observing the R-square values in the equations between latent variables. The R-squared value depicts the extent to which exogenous (independent) variables in the model are capable of explaining the variation in endogenous (dependent) variables.

Table 4. R Square

	R Square
<i>Brand Image (X1)</i>	
<i>Brand Awareness (X2)</i>	
<i>Brand Loyalty (Y)</i>	0,472871

Source: Data Analysis Results

The R-squared value of 0.472871 indicates that this model can explain approximately 47.29% of the variation in Brand Loyalty influenced by independent variables such as Brand Image and Brand Awareness, while the remaining 52.71% is explained by other variables not considered in this study.

Furthermore, the Goodness of Fit Model in this study can be assessed through the Q2 or Q-Square predictive relevance value for the structural model. The Q-Square value is used to measure the extent to which the model can produce observation values that align with parameter estimates. If the Q-Square value is > 0 , it indicates that the model has predictive relevance, whereas if the Q-Square value is ≤ 0 , it suggests that the model lacks predictive relevance. The calculation of Q-Square uses the formula: $Q2 = 1 - (1 - R1^2)(1 - R2^2) \dots (1 - Rn^2)$, where $R1^2, R2^2, \dots, Rn^2$ are the R-squared values of endogenous variables in the model's equations. The Q2 value ranges between $0 < Q2 < 1$, and the closer it is to 1, the better the model's quality. This Q2 value is equivalent to the total coefficient of determination in path analysis.

In this study, the value of Q2 is calculated as $Q2 = 1 - (1 - 0.472871) = 0.472871$. From the calculated Q2 value of 0.472871, it can be concluded that the research model meets predictive relevance.

Hypothesis Testing

Testing hypotheses can be observed through the coefficient results and T-statistic scores of the inner model in the following table:

Table 5. Path Coefficients (Mean, STDEV, T-Values)

Path	Sample	Standar d	T Statistics	P
Coefficients	Mean (M)	Deviation	(O/STER	Values
(O)		(STDEV)	R)	
<i>Brand Image (X1) ></i>	0,30011	0,31219	4,04910	0,00
<i>Brand Loyalty (Y)</i>	8	0	5	0
<i>Brand Awareness</i>				
<i>(X2) > Brand</i>	0,44115	0,43589	6,36482	0,00
<i>Loyalty (Y)</i>	4	5	0	0

Source: Data Analysis Results

Based on the table, it can be concluded that the hypotheses are as follows:

Hypothesis 1: The hypothesis suggesting a positive influence between brand image and brand loyalty for the bottled drinking water (AMDK) product brand "Ades" in the city of Surabaya can be accepted. This is supported by path coefficients of 0.300118 and a T-statistic value of 4.049105, which is greater than the critical value of $Z\alpha = 0.05$ (1.96). Additionally, the P- Value is 0.000, which is smaller than 0.05. These results indicate a significant positive relationship.

Hypothesis 2: The hypothesis proposing a positive influence between brand awareness and brand loyalty for the bottled drinking water (AMDK) product brand "Ades" in the city of Surabaya can also be accepted. This is evidenced by path coefficients of 0.441154 and a T-statistic value of 6.364820, which exceeds the critical value of $Z\alpha = 0.05$ (1.96). Furthermore, the P-Value is 0.000, which is smaller than 0.05. These results demonstrate a significant positive relationship.

Brand Image on Brand Loyalty

From the analysis results using the PLS method, it can be concluded that Hypothesis 1 is accepted. This indicates that the better the brand image of the product, the more positive its influence on the decision of brand loyalty.

The research results also show that the brand strength indicators have the highest loadings. This refers to the strong brand presence of Ades, where Ades bottled drinking water is already well-known in Indonesia. This demonstrates that the brand strength of Ades, with its various advantages compared to other bottled water brands, successfully attracts consumers to remain loyal to the Ades brand.

Brand Awareness on Brand Loyalty

Based on the data analysis using PLS, it was found that Hypothesis 2 is accepted. This means that the better the brand awareness of a product, the higher the consumer's brand loyalty.

The research results also indicate that the indicator of top-of-mind awareness has the highest loading. This refers to the recognition of the Ades brand, such as seeing the logo, packaging, and brand name of Ades. This demonstrates that the Ades company has a strong reputation and a positive perception of quality among consumers. By maintaining this perception of

quality, branding can enhance brand awareness, leading consumers to have a higher level of loyalty to Ades products.

CONCLUSIONS AND RECOMMENDATIONS

The Based on the descriptions and results above, it can be concluded that a better brand image and product quality lead to a stronger preference for Ades bottled drinking water in the Rungkut area of Surabaya.

The recommendations from this study are that the company should consider updating the Eco Lifestyle brand and also evaluate and improve the product packaging to prevent damage.

ADVANCED RESEARCH

This research still has limitations, so further research needs to be carried out on different variables, to support and increase insight for readers.

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