UNRAVELING BRAND EQUITY: STRATEGIES TO IMPROVE CONSUMER PURCHASE DECISION

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Abstract

Marketing strategy is an important element in the business world. One of the objectives of the marketing strategy is to increase consumer buying decisions. This can be done by utilizing the equity of a brand. This research will aim to look at how to increase consumer purchasing decisions by using brand equity. This type of research is descriptive qualitative research. The data used in this study comes from various research results and previous studies which still have relevance to the content of the research. The results of this study then found that brand equity cannot be ignored as a driver of consumer purchasing decisions. There are several strategies to increase brand equity. This can be done by conducting marketing campaigns to increase brand awareness, by collaborating with artists or influencers. By using these various strategies, consumer purchasing decisions can be significantly improved.

Keywords: Brand Equity, Marketing Strategy, Consumer Purchase Decision.

A. INTRODUCTION

Understanding the consumer is at the heart of every marketing decision. All of this is done to find out the tastes, wants, and needs of consumers, so that entrepreneurs can adjust their service products to the tastes, wants, and needs of consumers so that consumers will continue and always consume products and services, which will ultimately increase sales. Entrepreneurs cannot avoid this phenomenon where small and medium enterprises are emerging (Campbell et al., 2020). The important thing is that entrepreneurs must be able to survive with various strategies to retain consumers who are loyal to the local products that have been produced. Entrepreneurs must have a differentiated value from their products which postscript has a uniqueness and must continuously innovate and keep abreast of market trends. This is necessary to make a profit so that the company can survive and develop (Rashid & Ratten, 2021).

Market-oriented companies, do not just produce and achieve the standards set by the company but must comply with the wishes of consumers. This means that consumer needs can be met as well as possible. However, the reality on the ground shows that many competitors are also competitively trying to get customers. Many product choices make it difficult for consumers to make decisions. Even though the decision to buy a product is very important. Purchase decisions in general can be changed indirectly by using a good marketing strategy (Rahman et al., 2020).

A marketing strategy is a strategy designed to promote goods or services to generate profits, marketing strategies help to participate in formulating short and long-term goals of the company and ensure that all activities are properly monitored to achieve goals. Marketing strategies can be in the form of cooperation with other parties that can increase sales, discounts at special moments, and much more. One marketing strategy that can be done is through brand equity (Li et al., 2021). This is because brands are important for companies to show the value of products offered to the market, but brands will be meaningless if they do not have strong equity in the market. The brand owned by the company will be strong if it has strong brand equity. Strong brand equity will provide value to both customers and the company. One of the values for customers is to increase customer confidence in purchasing decisions (Xu et al., 2022).

Brand equity emerges as a favorable distinct impact generated by customers' familiarity with a brand name on their perception of a product or service. This equity prompts customers to display a predilection for a certain product over another when both are indistinguishable. High equity is the dream of every brand, it means that these brands have a close relationship with the customer market. The greater the brand equity of a product, the more compelling its attraction for consumers to make a purchase. As a result, this will ultimately lead to the Company enjoying continually rising profits (Pina & Dias, 2021).

Based on the brief explanation above, this research will then look at how the capabilities that can be provided by brand equity as a strategy to influence and improve consumer purchasing decisions.

B. LITERATURE REVIEW

1. Brand Equity

The American Marketing Association defines a brand as "a name, term, sign, symbol or design, or a combination thereof, intended to identify the goods or services of one seller or group of sellers and to differentiate them from competitors". Hence, a brand pertains to a product or service whose attributes deviate in certain aspects from other products or services crafted to fulfill a similar requirement. Such variance could encompass practical, logical, or tangible facets (linked to the brand's product functionality). Moreover, these distinctions might encompass more figurative, sentiment-based, or elusive elements (associated with the brand's symbolism) (Mardhatillah, 2020).

One of the roles of a brand within a company is to streamline the management and monitoring of products. Brands contribute to the arrangement of inventory documentation and financial records. Additionally, brands provide legal safeguards for distinctive attributes or elements of a product. Brand designations can be safeguarded by means of officially registered trademark names, production methods can be secured by patents, and packaging can be defended through copyrights and exclusive designs (Chen et al., 2023). This form of intellectual property guarantees that companies can confidently invest in the brand and capitalize on a valuable resource. The brand represents a specific standard of excellence, enabling contented purchasers

to readily make repeat purchases of the product. Brand allegiance furnishes a company with a stable and anticipated degree of demand, while erecting an obstacle that hinders other firms from entering the market. This loyalty can also translate into a customer's readiness to pay an elevated price (Júnior et al., 2022).

Brand equity embodies the supplementary worth bestowed upon products and services. An alternate depiction of brand equity involves an ensemble of brand possessions and obligations intertwined with a brand, appellation, and emblem, all of which possess the potential to augment or diminish the value extended by a product or service to a corporation or its clientele. Assets and obligations influencing brand equity encompass customer fidelity, brand recognition, perceived excellence, diverse additional brand affiliations, and proprietary brand possessions (e.g., patents) (Haudi et al., 2022). The manifestation of brand equity can be evident in the manner in which consumers perceive, experience emotions related to, and behave in connection with the brand. Additionally, it encompasses the price, market share, and profitability advantages the brand bestows upon the company. The approach rooted in the customer's viewpoint scrutinizes brand equity through the lens of consumers, whether they are individuals or entities. The fundamental tenet of customer-based brand equity posits that the potency of a brand is entrenched in how customers perpetually perceive, encounter, receive information about, cogitate upon, and experience emotions in relation to the brand (Oliveira et al., 2023).

Customer-centric brand equity refers to the distinctive impact that consumers exert on brand recognition within the domain of brand promotion. A brand boasts favorable customer-centric brand equity when consumers respond with greater positivity towards the product and its promotional strategies when the brand is discernible, compared to when it isn't. Conversely, a brand carries adverse customer-centric brand equity when consumers don't particularly favor the marketing endeavors associated with that brand under equivalent conditions (Nguyen-Viet, 2023).

2. Marketing Strategy

In formulating tactics to surmount internal and external challenges, a company capitalizes on available opportunities. The primary objective of strategy implementation is to enable the company to impartially consider both internal and external circumstances. Therefore, devising a marketing strategy holds significance in attaining a competitive edge and in offering products that align with consumer preferences, bolstered by marketing assets (Becker & Schmid, 2020). The marketing strategy assumes a highly significant role in the overall success of the company's endeavors, especially within the realm of marketing. Moreover, the established strategy should be regularly assessed in light of market advancements and the perpetually shifting landscape. As a result, the marketing strategy has the capacity to offer a distinct and purposeful overview of the company's intended actions (Baryshnikova et al., 2021).

In order to attain a more comprehensive comprehension of marketing strategy, scholars present various experts' interpretations of the term. Dedi Mulyadi, for instance, defines strategy as a framework that guides management by aligning individuals and resources within a business, thereby fostering market competition

tranquility (Crick & Crick, 2020). According to Indra Wijaya, marketing strategy is a set of principles that are appropriate, consistent, and appropriate for companies to achieve long-term target markets and long-term corporate goals (objectives), in certain competitive situations. For this reason, activities in business industry marketing must be planned according to an optimal strategy (Marka, 2021).

As outlined by Sofjan Assauri, a marketing strategy encompasses an allencompassing, interconnected, and harmonized scheme within the marketing domain. This plan furnishes direction for the actions to be executed in order to accomplish a company's marketing objectives. To put it differently, a marketing strategy comprises an array of objectives and targets, along with guidelines and principles, guiding the company's marketing endeavors over varying periods, in response to the perpetually shifting competitive landscape and circumstances (Ketter & Avraham, 2021).

Based on the theory regarding marketing strategy that has been put forward by the researcher above, the researcher concludes that marketing strategy is the determination of marketing policy by controlling factors that can be controlled, as well as factors beyond the company's strengths to achieve company goals through consumer satisfaction (marketing strategy) (Ho et al., 2020). Put differently, a marketing strategy constitutes a collection of aims and targets, as well as principles and regulations, furnishing orientation for a company's marketing endeavors. This is achieved through a comprehensive, interconnected, and harmonized plan, along with its execution and assessment within the marketing domain. This strategy provides guidance on the actions to be undertaken in order to realize a company's marketing objectives. With a marketing strategy in place, the execution of programs designed to achieve organizational goals can be conducted proactively, knowingly, and rationally (Tourky et al., 2020).

3. Purchase Decision

Sudaryono elucidates a decision as the selection of a course of action among multiple options. This implies that individuals tasked with making decisions need to choose one option out of several alternatives. For instance, if someone is confronted with the choice of purchasing or not purchasing, and subsequently opts for one, they are indeed making a decision. Ujang Suwarman's perspective entails that purchasing encompasses the various determinations consumers make regarding what to purchase, whether to make a purchase, the timing of the purchase, the place of purchase, and the payment method (Yunior et al., 2021).

Usman Efendi suggests that purchasing decisions stem from, or are a continuation of, the actions individuals take when confronted with specific circumstances and choices. These actions are taken with the aim of fulfilling their needs. On the other hand, J. Setiadi Nugroho asserts that consumer decision-making is a process of amalgamating knowledge to assess various alternative actions and subsequently opting for one of them. The outcome of this amalgamation process materializes as a choice, which is cognitively experienced as a behavioral inclination (Tirachini & Cats, 2020).

As per Boyd Walker Larreche's perspective, consumer decision-making is a process centered around problem-solving. This process is shared by a majority of

consumers, encompassing both individual buyers and organizational purchasers, as they deliberate over which products and brands to acquire. While it's evident that diverse consumers ultimately opt for different commodities due to distinctions in personal attributes (such as needs, desired benefits, attitudes, values, prior experiences, and lifestyles) as well as social influences (variations in social class, reference circles, or family circumstances) (Kemp et al., 2020).

On the other hand, according to Kotler and Keller, consumer purchasing decisions are a constituent of consumer behavior, which encompasses the examination of how individuals, groups, and entities decide on, procure, employ, and find satisfaction in goods, services, concepts, or experiences to fulfill their needs and desires. The act of making purchasing decisions is intricately linked with the individual's disposition as a consumer (consumer behavior), resulting in every consumer having distinct patterns in their purchase-making habits (Dirwan & Ahmad, 2023). Kotler and Keller outlined that purchasing decisions encompass the subsequent dimensions:

- a. Product selection: Consumers deliberate whether to acquire a product or allocate their funds elsewhere. Companies should focus on individuals expressing interest in the product and the choices they're evaluating.
- b. Brand choice: Consumers must determine the brand to purchase, with each brand possessing unique attributes. Companies should understand how consumers opt for a specific brand.
- c. Dealer selection: Consumers must decide which retailer to visit, driven by factors such as proximity, pricing, inventory, shopping convenience, and store size.
- d. Time of purchase: Consumer choices concerning when to buy can differ daily, weekly, bi-weekly, etc.
- e. Number of purchases: Consumers decide how many products to acquire in a single instance, which might entail purchasing multiple items. Companies need to accommodate various preferences.
- f. Payment methods: Consumers make choices about payment approaches when utilizing products or services. Purchasing decisions are influenced by not only external and familial factors but also the technology employed in transactions. (Chaerudin & Syafarudin, 2021).

C. METHOD

In this study, a qualitative descriptive approach was used to gain a deep understanding of the topic under study. This approach allows researchers to analyze existing phenomena in more detail, identify patterns, and gain rich insights about the research subject. The literature study method was chosen because it allows data collection from various sources relevant to the research topic, including scientific articles, books, research reports, and other sources of information. These data will then be comprehensively analyzed by researchers to produce an in-depth understanding of brand equity and strategies to increase it in the context of consumer purchasing decisions (Sari, 2022).

D. RESULT AND DISCUSSION

1. The Role of Brand Equity in Consumer Purchase Decisions

Brand equity, as an important factor in consumer purchasing decisions, has a significant role in shaping consumer preferences and behavior in selecting products or services. The introduction of brand equity as a major factor in consumer purchasing decisions forms the basis for understanding how a brand image can influence consumer behavior. Brand equity refers to the added value given to a product or service based on reputation, associations, emotional impressions, and consumer experience of the brand. Thus, brand equity becomes an important differentiator during increasingly fierce competition in the market.

Brand equity can affect consumer perceptions of products or services through several mechanisms. First, when a brand has built a strong reputation, consumers tend to have a more positive perception of product quality and reliability. A brand that is known to have a good track record will trigger positive perceptions and consumer confidence in the product. Second, the association of brands with specific attributes can influence how consumers interpret and relate them to their needs and wants. For example, a brand known for innovation will influence consumer perceptions that the product is always up-to-date with the latest trends.

One of the most obvious impacts of brand equity is its ability to differentiate products from competitors in the market. In a business environment full of alternatives, strong brand equity can position a product or service as a unique choice. This means that consumers do not only choose products based on functional attributes alone but also consider the additional values attached to the brand. For example, Apple has strong brand equity as a symbol of innovation, elegant design, and exclusivity. This sets Apple products apart from its competitors, even if their functional features are similar.

Overall, brand equity has a central role in consumer purchasing decisions. By understanding the influence of brand equity on consumer perceptions, companies can design more effective marketing strategies. Strong brand recognition, the formation of positive associations, and the ability to differentiate oneself from competitors are key elements that ensure the role of brand equity in shaping consumer preferences and purchasing decisions. In an era where experience and emotion are increasingly important in influencing consumers, brand equity is becoming one of the most valuable assets that can bring long-term success to a company.

2. Components of Brand Equity Influencing Purchase Decisions

In an increasingly complex business world, brand equity is an important key in shaping consumer preferences. The main components of brand equity such as brand awareness, brand association, perceived quality, brand loyalty, and brand assets have a fundamental role in influencing consumer purchasing decisions. Brand awareness forms the foundation of brand equity, allowing brands to easily enter consumer considerations. Brand associations play an important role in shaping brand image, linking brands with certain values, attributes, and emotions.

In the consumer decision-making process, perceived quality influences the level of consumer trust in a brand. Brands with high perceived quality tend to be more trusted by consumers and become the first choice in purchasing decisions. Brand

loyalty shows consumer attachment and loyalty to the brand, which is formed through positive experiences and emotional connections. Brand loyalty influences long-term preferences and ensures that consumers continue to choose brands that are well-known and have good relationships.

Brand assets involve the financial and non-financial value of brand equity. This involves physical assets such as patents and trademarks, as well as intangible assets such as brand reputation and consumer loyalty. In making decisions, brand assets support long-term brand survival. Combining these components of brand equity forms the overall image of the brand which plays a key role in decision making.

The concept of the "pyramid of brand equity" describes a hierarchy of components of brand equity. In a pyramid structure, brand awareness is the foundation, followed by brand associations, perceived quality, brand loyalty, and brand assets at the top. Each level builds on the previous one and together forms a brand image that plays a key role in decision-making.

Well-known brand case studies provide a real-world view of how brands are successfully leveraging the components of brand equity. Apple, with its high awareness, innovative associations, perceived premium quality, and strong customer loyalty, has achieved success in combining these components. Nike, through its association with a sporting spirit and a perception of superior quality, has also managed to create strong bonds with consumers.

In conclusion, components of brand equity such as brand awareness, brand association, perceived quality, brand loyalty, and brand assets interact to form a brand image that influences consumer purchasing decisions. The concept of a "pyramid of brand equity" helps describe a connected hierarchy of these components. Through case studies of well-known brands, we can observe how the effective use of these components can lead to brand success in a world full of variety and choice.

3. Strategies to Increase Brand Equity to Drive Purchase Decisions

In developing brand equity, brand awareness is an important first step. The right marketing campaign can build brand awareness better. Through advertisements in various media channels, companies can introduce their brands to a wider audience. Campaigns that reflect the brand's values and message will increase visibility and bring the brand closer to consumers. Brand awareness allows brands to be taken into account in decision-making.

Cohesive branding and a consistent design strategy are the keys to building strong brand associations. The use of uniform design elements, from logos to colors and typography, forms a memorable brand identity. This helps consumers associate brands with desired attributes and messages. Through the use of coordinated design strategies, brands can create consistent and long-lasting associations in the minds of consumers.

Product or service quality is a pillar in strengthening brand quality perceptions. Brands wishing to influence purchasing decisions must maintain consistent product or service quality. Positive experiences of using a high-quality product or service build positive perceptions of quality. In making decisions, brands with a good quality reputation are more likely to be chosen by consumers.

Loyalty programs and incentives play an important role in increasing consumer loyalty to brands. Through programs such as exclusive discounts or rewards, consumers feel valued for every interaction with the brand. This strengthens emotional bonds and motivates consumers to choose brands that have added benefits. The loyalty that is established in decision-making will encourage consumers to choose brands that have given them incentives.

Collaboration with celebrities or influencers can expand positive brand associations. When a brand is associated with a respected or well-known figure, it can reach a wider audience. This kind of collaboration also helps brands connect with consumers through sources they perceive as authoritative and relevant. In making decisions, consumers will be more interested in brands that have positive associations with celebrities or influencers.

Implementing strategies to increase brand equity is an effective approach to influencing consumer purchasing decisions. Through the right marketing campaigns, cohesive branding, maintaining product or service quality, developing loyalty programs, and collaborating with celebrities or influencers, brands can build a positive image and become consumers' first choices in decision-making.

E. CONCLUSION

In this competitive business era, the role of brand equity as a driving force for consumer purchasing decisions cannot be ignored. Through its main components such as brand awareness, brand associations, perceived quality, brand loyalty, and brand assets, brands can form strong images and influence consumer preferences. Strategies to build brand equity guide in creating positive and sustainable impressions in the minds of consumers. To increase brand equity, building brand awareness through the right marketing campaigns is a crucial first step. The use of cohesive branding and design strategies plays a role in forming strong brand associations while maintaining product or service quality strengthens the perception of brand quality. The development of loyalty programs and incentives deepens consumers' emotional connection to brands, while collaborations with celebrities or influencers broaden brand reach. By summarizing all of these components and strategies, brands can influence consumers' buying decisions in significant ways, leading to greater success and business continuity in increasingly complex markets.

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