

# Analysis of the Influence of Brand Association, Brand Image, Brand Awareness, and Brand Loyalty on Brand Equity of Telon Oil

Rony Indrayana<sup>1</sup>, Faizatun<sup>2</sup>, Derriawan<sup>3</sup>

<sup>1,2,3</sup>Universitas Pancasila, Jakarta Selatan, Indonesia

Email: [roneefarm@gmail.com](mailto:roneefarm@gmail.com)

## Abstract

This research aims to analyze the influence of brand association, brand image, brand awareness, and brand loyalty on brand equity of telon oil. This research uses a quantitative approach with the sample in the study being women or men aged 25 – 55 years and who have used My Baby telon oil. In carrying out this research, researchers used data analysis methods using the Likert scale measurement method, questionnaire data analysis using the SPSS 26 statistical program with the SEM SmartPLS method. The research results show several important findings regarding the relationship between the main variables in the context of Brand Equity. First, Brand Association (X1) significantly influences Brand Equity (Z) and Brand Loyalty (Y). Second, Brand Awareness (X2) has a significant influence on Brand Loyalty (Y), but not on Brand Equity (Z). Third, Brand Image (X3) significantly influences Brand Equity (Z), but not significantly on Brand Loyalty (Y). Apart from that, Brand Loyalty (Y) was also found to have a significant influence on Brand Equity (Z). These findings provide important insights for marketing and brand management strategies to strengthen key aspects that influence consumer perception and loyalty towards brands.

**Keywords:** *Brand Association, Brand Image, Brand Awareness, Brand Loyalty, Brand Equity.*



## A. INTRODUCTION

A brand is not just a logo or company name, but rather a person's image or perception about a product or company. A brand is the complete combination of associations that people imagine when they hear a company or product name (Wertime, 2002). The terms Brand and Identity are very well known and are important topics in developing business strategies. Brand identity is a concept that is the basis of brand theory, if you compare it to brand identity, it is the 'soul' of a brand (Nandan, 2005). The process of defining values, acting on values, and communicating values to customers is called the brand building process, the process of demonstrating brand identity.

Brand identity has a very important role, apart from being the identity of a product, it also functions as a benchmark for a company's overall strategy program as the foundation of an operational system, as a pillar of a good network for the company, a sales and promotion tool, and so on (De Chernatony, 1999). Images are formed based on information received through various media, especially print and electronic mass media, which work to form, maintain or redefine images. Brand loyalty can be formed through brand awareness, perceived quality, and brand association. brand awareness, perceived quality and Brand Association are perceptual

dimensions and brand loyalty is a behavioral dimension (Chen & Tseng, 2010). Another study states that the perceptual dimension is mediated by brand attitude before influencing the behavioral dimension (Lassar, 1995).

Developing and strengthening various brands is aimed at strengthening brand equity. Brand equity is one of the factors that can influence customer decisions in choosing and purchasing a product. The higher the brand equity of a product, the higher customer loyalty or fidelity (Cobb-Walgren et al., 1995). This is because brand equity is able to make consumers believe in product quality. Brand equity is the added value provided to products and services. This can be reflected in the way consumers think, feel and act with respect to a company's brand, price, market share and profitability (Aaker, 1991). Brand equity strengthens programs to attract new consumers or re-engage old consumers. Brand equity is a consideration for consumers in purchasing decisions. This is because brand equity is able to shape consumer perceptions about a product which is believed to have higher quality than other products (Baalbaki, 2012).

Brand equity is built from brand knowledge created in consumers' minds through various marketing activities and programs. Talking about brand equity is not just talking about the brand itself, but talking about things related to thoughts, feelings, perceptions, images, experiences and other things that can create connections in consumers' minds (Lee & Leh, 2011). Equity is often used as a determinant of whether a company is in a healthy condition or not. Apart from that, equity is also often used as a fairly important role in seeing how many assets a company has and how many obligations it must fulfill (Olson & Jacoby, 1972).

Brand equity is grouped into five dimensions, namely brand awareness, brand associations, perceived quality, brand loyalty, other brand proprietary assets that represent brand assets such as patents, and distribution channels (Wardani, 2015). The four dimensions of brand equity include: brand knowledge (brand awareness); the quality that is believed to be contained in a brand (perceived quality); associations (brand associations); brand loyalty (brand loyalty). The brand equity model is designed to determine how to value a brand. Each brand equity model shows deep insight into the concept of brand value and how to evaluate it (Widjanarko, 2005). Several methods are applied to increase brand equity, including strengthening brand associations, increasing customer loyalty, strengthening customer trust, and forming brand image. This can be achieved by making product marketing communications more effective in the field (Alfian, 2012).

Brand marketing communication is an important aspect in the overall marketing mission and determines marketing success (Kartikasari, 2014). Marketing communication can also be understood by describing its two main elements, namely communication and marketing. Communication is a process of thought and understanding conveyed between individuals or between organizations and individuals (Shimp, 2003). In the operations of an organization, marketing communications has a very important role. In an organization, marketing communications has the role of providing information, persuading, reminding voters

directly or indirectly about the brand image, brand identity and beliefs being sold (Kertajaya, 2006).

Integrated Marketing Communication (IMC) is defined as a concept of a marketing communication plan that pays attention to a comprehensive assessment that can evaluate all existing communication mixes and combines several disciplines to provide clarity, consistency and maximum results from the communication carried out. However, as time goes by, marketing experts realize that IMC is not just about coordinating various existing communication and marketing mixes to (Silviani & Darus, 2021) become one look and one voice. Furthermore, marketing experts are stated to be part of the business process which can help companies identify the most suitable and effective methods for building relationships with consumers (Pambayun & Permassanty, 2021).

Telon oil is a type of herbal ointment product, often rubbed on babies' bodies (Martha, 2016). The content of telon oil is usually a mixture of fennel oil, eucalyptus oil and coconut oil in different concentrations. Coconut oil functions as a solvent. The composition commonly used is 3:3:4 (Simamora, 2002). Some manufacturers today change the composition (for example 2:2:6), add other components to the mixture, such as lavender oil, or replace coconut oil with olive oil. This mixture provides a warm feeling because it stimulates blood vessels to dilate so that blood flow becomes faster. Telon oil is usually used to warm the bodies of babies and children, reduce bloating, and prevent mosquito bites (Solarbesain & Pudjihastuti, 2019). Its calming aroma is also often used to help ease the breathing of children and babies. The aroma of telon oil can also provide a sense of calm. Apart from that, telon oil can relieve symptoms of colic/heartburn in babies. The baby's body heat regulation system is not yet perfect, especially at the beginning of life. As a result, when the surrounding temperature is cold, babies easily feel cold and can shiver.

## **B. METHOD**

In this research the author conducted quantitative descriptive research in the form of a survey. The approach used in this research is a quantitative explanatory descriptive approach using primary and secondary data by sampling data collected and processed using the SEM (Structural Equation Modeling) statistical method (Haryono & Wardoyo, 2012). The population used in this research is women and men who live in the Bekasi district. The samples in this study were women or men aged 25-55 years and had used My Baby telon oil. The sampling technique in this research is non-probability sampling techniques through convenience sampling procedures. There were 155 instruments used in this research in the form of questionnaires containing closed-response questions using a Likert scale. This research uses several data collection techniques, namely: field data, surveys and interviews. In carrying out this research, researchers used data analysis methods using the Likert scale measurement method, questionnaire data analysis using the SPSS 26 statistical program with the SEM SmartPLS method.

### C. RESULTS AND DISCUSSION

Analytical analysis in this research uses a Structural Equation Model (SEM) with a Partial Least Square approach using SmartPLS 3.2.8 software. Structural Equation Modeling (SEM) is the quantitative analysis used in this research. To analyze SEM, researchers carried out analysis using Smart PLS.

A research model can use latent constructs with reflective and formative indicators.

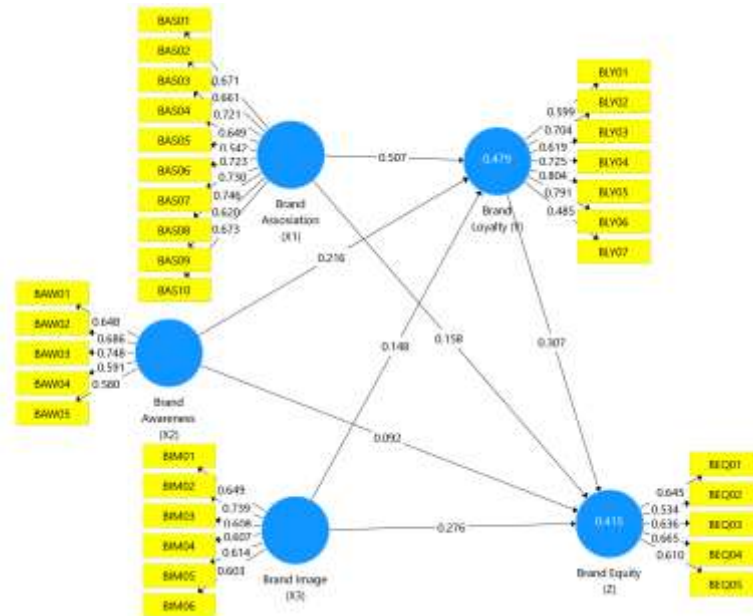


Figure 1 Structural Model

The path coefficient is a measurement to find whether the hypothesis results are significant or not. As stated by Sarwono and Narimawati (2015), to get significant results, the t-statistic value is compared with the t-value from the t distribution table, namely 1.96 and 5% significance level. The path coefficients discussed in this research are the direct and indirect effects of the independent variable on the dependent variable.

Table 1 Direct Effect Test Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
Brand Association (X1) -> Brand Equity (Z)	0.228	0.231	0.079	2,892	0.004
Brand Association (X1) -> Brand Loyalty (Y)	0.485	0.489	0.056	8,651	0,000
Brand Awareness (X2) -> Brand Equity (Z)	0.081	0.084	0.078	1,038	0.300
Brand Awareness (X2) -> Brand Loyalty (Y)	0.245	0.250	0.056	4,389	0,000
Brand Image (X3) -> Brand Equity (Z)	0.171	0.177	0.070	2,424	0.016
Brand Image (X3) -> Brand Loyalty (Y)	0.107	0.105	0.062	1,720	0.086
Brand Loyalty (Y) -> Brand Equity (Z)	0.324	0.320	0.078	4,169	0,000

Source: Primary Data processed in SmartPLS (2023)

Based on table 1. The following are the results of hypothesis testing for each case:

1. *Brand Association* (X1) to Brand Equity (Z): T-Value = 2.892, P-Value = 0.004. Because P-Value (0.004) < alpha (0.05), then reject H0 and conclude that there is a significant relationship between *Brand Association* (X1) and Brand Equity (Z).
2. *Brand Association* (X1) to Brand Loyalty (Y): T-Value = 8.651, P-Value = 0.000. Because P-Value (0.000) < alpha (0.05), then reject H0 and conclude that there is a significant relationship between *Brand Association* (X1) and Brand Loyalty (Y).
3. *Brand Awareness* (X2) to Brand Equity (Z): T-Value = 1.038, P-Value = 0.300. Because P-Value (0.300) > alpha (0.05), it fails to reject H0 and concludes that there is no significant relationship between *Brand Awareness* (X2) and Brand Equity (Z).
4. *Brand Awareness* (X2) to Brand Loyalty (Y): T-Value = 4,389, P-Value = 0.000. Because P-Value (0.000) < alpha (0.05), then reject H0 and conclude that there is a significant relationship between *Brand Awareness* (X2) and Brand Loyalty (Y).
5. Brand Image (X3) to Brand Equity (Z): T-Value = 2.424, P-Value = 0.016. Because P-Value (0.016) < alpha (0.05), then reject H0 and conclude that there is a significant relationship between Brand Image (X3) and Brand Equity (Z).
6. Brand Image (X3) to Brand Loyalty (Y): T-Value = 1.720, P-Value = 0.086. Because P-Value (0.086) > alpha (0.05), it fails to reject H0 and concludes that there is no significant relationship between Brand Image (X3) and Brand Loyalty (Y).
7. Brand Loyalty (Y) to Brand Equity (Z): T-Value = 4.169, P-Value = 0.000. Because P-Value (0.000) < alpha (0.05), then reject H0 and conclude that there is a significant relationship between Brand Loyalty (Y) and Brand Equity (Z).

In this analysis, the alpha value ( $\alpha$ ) is used as a significance level which is usually set at 0.05. If different significance levels are used, the interpretation of the decision to reject or fail to reject the null hypothesis will also be different.

Based on the results of the hypothesis testing that has been carried out, the following are the findings from the analysis:

1. Brand Association (X1) to Brand Equity (Z): Hypothesis test results show that there is a significant relationship between Brand Association (X1) and Brand Equity (Z) with a significance level (P-Value) of 0.004. This shows that the Brand Association variable (X1) has a significant influence on Brand Equity (Z).
2. Brand Association (X1) to Brand Loyalty (Y): Hypothesis test results show that there is a significant relationship between Brand Association (X1) and Brand Loyalty (Y) with a significance level (P-Value) of 0.000. This means that the Brand Association variable (X1) has a significant influence on Brand Loyalty (Y).
3. Brand Awareness (X2) to Brand Equity (Z): Hypothesis test results show that there is no significant relationship between Brand Awareness (X2) and Brand Equity (Z) with a significance level (P-Value) of 0.300. This means that the



Brand Awareness variable (X2) does not have a significant influence on Brand Equity (Z).

4. Brand Awareness (X2) to Brand Loyalty (Y): Hypothesis test results show that there is a significant relationship between Brand Awareness (X2) and Brand Loyalty (Y) with a significance level (P-Value) of 0.000. This indicates that the Brand Awareness variable (X2) has a significant influence on Brand Loyalty (Y).
5. Brand Image (X3) to Brand Equity (Z): Hypothesis test results show that there is a significant relationship between Brand Image (X3) and Brand Equity (Z) with a significance level (P-Value) of 0.016. This means that the Brand Image variable (X3) has a significant influence on Brand Equity (Z).
6. Brand Image (X3) to Brand Loyalty (Y): Hypothesis test results show that there is no significant relationship between Brand Image (X3) and Brand Loyalty (Y) with a significance level (P-Value) of 0.086. This means that the Brand Image variable (X3) does not have a significant influence on Brand Loyalty (Y).
7. Brand Loyalty (Y) to Brand Equity (Z): Hypothesis test results show that there is a significant relationship between Brand Loyalty (Y) and Brand Equity (Z) with a significance level (P-Value) of 0.000. This indicates that the Brand Loyalty (Y) variable has a significant influence on Brand Equity (Z).

These findings provide an overview of the extent to which the relationship between the independent variables (X1, X2, and X3) and the dependent variables (Z) and (Y) has a significant influence. The results of this hypothesis test can help in making strategic decisions for companies or organizations related to efforts to increase Brand Equity and Brand Loyalty. Variables that are proven to have a significant relationship can become a focus in efforts to improve brand image and customer trust. Meanwhile, variables that are not proven to have a significant relationship can be identified as aspects that need to be strengthened or reconsidered in marketing and branding strategies.

#### **D. CONCLUSION**

There are several important points that can be concluded based on the results of the hypotheses that have been made previously, namely as follows:

1. The results of the hypothesis test show that there is a significant relationship between Brand Association (X1) and Brand Equity (Z) with a significance level (P-Value) of 0.004. This shows that the Brand Association variable (X1) has a significant influence on Brand Equity (Z).
2. The results of the hypothesis test show that there is a significant relationship between Brand Association (X1) and Brand Loyalty (Y) with a significance level (P-Value) of 0.000. This means that the Brand Association variable (X1) has a significant influence on Brand Loyalty (Y).
3. The results of the hypothesis test show that there is no significant relationship between Brand Awareness (X2) and Brand Equity (Z) with a significance level (P-Value) of 0.300. This means that the Brand Awareness variable (X2) does not have a significant influence on Brand Equity (Z).

4. The results of the hypothesis test show that there is a significant relationship between Brand Awareness (X2) and Brand Loyalty (Y) with a significance level (P-Value) of 0.000. This indicates that the Brand Awareness variable (X2) has a significant influence on Brand Loyalty (Y).
5. The results of the hypothesis test show that there is a significant relationship between Brand Image (X3) and Brand Equity (Z) with a significance level (P-Value) of 0.016. This means that the Brand Image variable (X3) has a significant influence on Brand Equity (Z).
6. The results of the hypothesis test show that there is no significant relationship between Brand Image (X3) and Brand Loyalty (Y) with a significance level (P-Value) of 0.086. This means that the Brand Image variable (X3) does not have a significant influence on Brand Loyalty (Y).
7. The results of the hypothesis test show that there is a significant relationship between Brand Loyalty (Y) and Brand Equity (Z) with a significance level (P-Value) of 0.000. This indicates that the Brand Loyalty (Y) variable has a significant influence on Brand Equity (Z).

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