

THE EFFECT OF BRAND VALUE, BRAND AWARENESS, BRAND LOYALTY ON BRAND EQUITY IN SHARIA BANKING INDUSTRY

Endang Tri Widyarti¹
Rr. Lulus Prapti NSS²
Teguh Ariefiantoro³

Faculty of Economics and Business, Diponegoro University¹
Faculty of Economics, University of Semarang^{2,3}

Email: endangtriwidyarti@yahoo.co.id

Abstract

Brand equity is one of the core aspects of marketing, all marketing strategies are basically the goal of building a solid brand. Brands have solid equity to succeed in gaining loyal customer marketing and financial benefits. When before deciding to become a customer or client, of course, consumers are inflated by many things that motivate them. Therefore, it is very meaningful to analyze the key factors that motivate the use of brand equity and customer service at that time to look for correlations and obtain suitable conclusions. The object that is being studied is the customer of Islamic banking. The purpose of this research is to identify the impact of brand value, Brand Awareness, Brand Loyalty on Brand Equity at Bank Muamalat in Semarang. The research method used in this research is through a survey. Information is analyzed quantitatively and uses a causal research design. The method of taking illustrations used in this research is to use Non-Probability Sampling with purposive sampling method. All of the illustrative information obtained by distributing questionnaires is 100 respondents and will be processed using the SPSS 24 software feature

Keywords: Brand Value, Brand Awerness, Brand Loyalty, Brand Equity

INTRODUCTION

Brands getting considerable attention from businesses and management, both from practitioners and theoreticalists, remember that the important the brand for success product or service that will launched andx` already in the market. Various concepts about brands developed by experts / brand experts in western countries have not adequately described it explicitly for businesses in Indonesia, in other words their description is still general. Based on the research of experts on the important of brands for the success of a product and service, it becomes very important to elaborate the brand for business development in the country, especially for the business sector that is fundamental to economic development both macro and micro,

including the banking sector. In the economic order, there is no denying the existence of the banking sector which has a very vital and strategic role. In this context the main role of the banking sector acts as a financial intermediary, namely financial institutions whose main task is to raise funds from the oversupplied and channel them to those who are underfunded and need funds.1 It is thus clear that the banking sector plays a major role in spurring the wheels of economic activity both 1 Shanmugam, B, Turton, C and Hempel, G 1992, Bank Management, John Wiley & Sons, Australian Edition. of trust, i.e. in relation to the services of trusts provided to various parties who need them.

Sharia finance in Indonesia has grown over two decades since the operation of the first

sharia bank in Indonesia. The development of Sharia finance has resulted in a variety of achievements, from the increasing number of products and services, to the development of infrastructure that supports Sharia finance. Even in the global market, Indonesia is included in the top ten countries that have the largest Islamic financial index in the world.

The development of Sharia Bank in Indonesia has now become a benchmark for the success of sharia economic existence. The monetary crisis that occurred in 1998 has sunk conventional banks and many are in liquidation due to the failure of the interest system, while banks that implement sharia systems can still exist and be able to survive. Not only that, in the midst of the global financial crisis that hit the world at the end of 2008, Islamic financial institutions again proved their resilience from the crisis. Sharia financial institutions remain stable and provide benefits, comfort and security for their shareholders, securities holders, borrowers and depositors in Sharia banks.

According to the Financial Services Authority (OJK), so far, sharia banking performance is still monitored positively.

Sharia banking until March 2019 continues to show positive developments with assets, disbursed financing (PYD), and third party funds (DPK) that continue to grow, where asset growth of 12.04 percent, Disbursed Financing (PYD) at 14.15 percent, and Third Party Funds at 10.28 percent. Based on the data shows that Sharia banking is really resistant and immune to crisis 14,15 and able to grow significantly. With the growth of assets, financing and third-party funds from sharia banking, this leads to good acceptance from the people of Indonesia which is the country with the largest Muslim population in the world. This phenomana of course will spur all Sharia Banks in Indonesia to compete for such a large market share. Based on data from the Financial Services Authority there are 14 Sharia Commercial Banks in Indonesia to date, from the number of such tests when viewed from the Top Brand Index (TBI) data, there are several sharia commercial banks competing in the top five based on the Top Brand Award of the last 5 years, namely the period of 2015 as well as 2019, which is detailed in the following table:

Tabel 1. Top Brand Index Award 2015-2019

Bank	2015	2016	2017	2018	2019
Bank Sharia Mandiri	32,90%	27,40%	31,50%	26,10%	27,50%
BRI Sharia	21,60%	28,50%	26,40%	22,90%	27,50%
BNI Sharia	13,90%	13,50%	15,90%	15,20%	27,00%
BCA Sharia	3,20%	9,50%	3,60%	3,80%	6,50%
Bank Muamalat	15,80%	10,80%	10,10%	13,30%	4,20%

Sumber: Tob Brand Index Award (Access In September 2019)

Based on the data table 1, average in the last five years Bank Mandiri Syariah occupies the first position in the TBI, this illustrates that Bank Sharia Mandiri has the largest market share in the Islamic banking industry. Then followed by BRI Sharia, BNI Sharia and BCA Sharia. Furthermore, the data in table 1 indicates that by presentation the banks are competing quite tightly to be the first in the TBI and with index values that

generally increase. This condition is inversely proportional to the index value of Bank Muamalat, where in the data it is seen that the TBI value index of Bank Muamalat from 2014 to 2018 continues to decline, whereas the overall value of TBI that can describe the position of market share of Bank Muamalat decreased from 15.8% in 2014 to 4.2% in 2018. This caused Bank Muamalat's position to drop from third position in 2104

to the bottom of the top five sharia banks that were included in the Top Brand Index Award in 2108. This condition should certainly be a concern for Bank Muamalat to be able to implement a way of or strategy in order to increase the TBI position or its market share position. This should be not impossible, because actually when viewed from the history of its establishment, Bank Muamalat itself is the first commercial bank in Indonesia to apply islamic sharia principles in carrying out its official operations in 1992 and making the mascot of sharia banks in Indonesia. With status as the first Sharia Commercial Bank in Indonesia, Bank Muamalat became a pilot project and trademark of the revival and massive implementation of Islamic economic law in Indonesia at that time and the moment of its establishment was eagerly awaited by the people of Indonesia.

One of the strategies that can be done by Sharia banking, especially Bank Muamalat which is the object in this research in order to increase market share in the Islamic banking industry, is to create Brand Equity to each customer.

Brand Equity

Brand Equity is an intangible asset by owned company because of the value it provides both to 323 producers and to customers. 9 Further because brand is a value indicator where value is defined as total get (functional and emotional benefit) divided by total give (price and other expenses), then if the company has or can give a total get higher than the total give then the brand has a strong equity value. Brand Equity is a series of brand assets and liabilities associated with a brand, its name and symbol that increase or decrease the value that a product/service provides to the company and or customers of that company. (David A. Aaker, 1999), Aaker's definition implies that Brand Equity can be valuable for companies (Company-Based Brand Equity) and for consumers (Customer based brand Equity). With a different language Agus W. Soehadi (2005) mentioned that the brand will be

valuable if consumers have a positive experience with it, the accumulation of positive experiences will make the bond or loyalty between consumers and brands stronger. The strength of a brand according to him depends on how far the brand can guarantee future cashflow earning, in other words a strong brand must also be financially healthy. Based on research conducted Altaf et al (2017) revealed that Brand Value, Brand Awareness, and Brand Loyalty have an affect and can create Brand Equity.

Brand Value

Brand value is related to how far consumers understand and have a positive association with the brand. Brand value is formed through product/service performance approach (Brand Performance) and emotional or personification approach (Brand Imagery). Brand Performance itself is related to intrinsic attributes (attributes attached to products or services), while brand imagery is related to extrinsic attributes (attributes that are not directly related to the product/service).

H1: There is an affect of Brand Value on Brand Equity

Brand Awareness

Brand Awareness leads to the ability of consumers to remember, recognize brands, and be able to connect them to logos, brand names, and other things about the brand (Altaf et al.,2017). It is important for companies to recognize and remember the company's brand easily. The Company must be able to communicate the company's product or brand well to the target market that best suits the product or brand to be sold.

The better consumers know or are aware of a product or brand either by logo, name or other things, of course consumers will be much more likely to choose or buy back the product than the product or brand that has not been or is not known konsumen. This is sangat understood because when the consignment will furniture back a product is very directly related to the information that is in the consumer. The more consumers

recognize (aware) then the product or brand has a high chance to be repurchased by consumers or loyal (Moisescu, 2009). Based on the description and theory above, it can be compiled hipotesisi second as follows:

H2 There is an affect of Brand Awareness on Brand Equity

Brand Loyalty

Measure of how often consumers repeatedly buy products from a brand in the future (Schiffman and Wisenblit; 2015:168). Loyal consumers will be marked by making repeated purchases in the future and do not hesitate to share positive information about the brand with others and invite others to use or consume the brand used or consumed. With the condition of consumers who make buybacks, spread positive information (positive word of mouth /WOM) and invite others to consume the brand they use, it will certainly have an impact on increasing sales of the brand, and in the long run will have an effect on increasing the market share of the

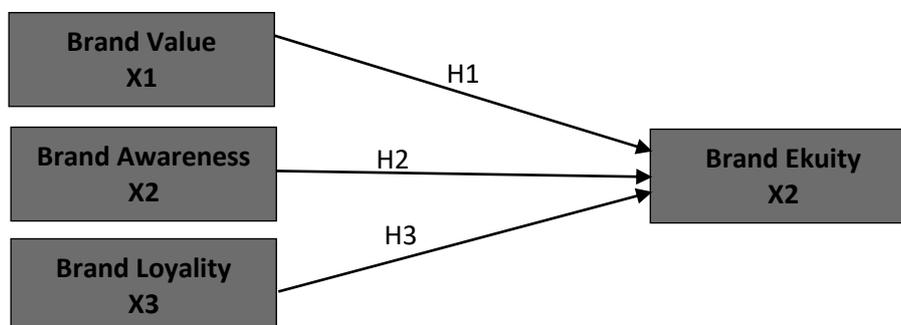
brand in question. This is in accordance with research conducted by Gounaris and Stathakopoulos (2004) which states that brand loyalty can increase the market share of the brand in question. Similarly, research conducted by Jansen and Hansen (2016) stated that brand loyalty increases market share exponentially.

The stronger the brand image in the mind or mind of the consumer, it will form and improve the Brand Loyalty of consumers or customers of the product or brand in question. This is similar to research conducted by Altaf et al (2017)

H3: There is an affect of Brand Loyalty on Brand Equity.

Based on the theoretical framework description and hypothesis development above, it can be described the form of affect of Brand Value, Brand Awareness, Brand Ambassador to Brand Equity in a theoretical thought framework as follows:

Theoretical Framework



RESEARCH METHODS

The research method used in this study is through a survey. Data analysis is conducted quantitatively and using research design is causality. This aims to determine the affect between Brand Value, Brand Awareness, Brand Loyalty on Brand Equity on Bank Muamalat customers in Semarang. The data analysis technique used in this study is multiple linear regression. The sampling method used in this study is to use Non-Probability Sampling with Purposive Sampling technique.

Primary data retrieval is done by sharing questioners to Bank Muamalat customers in Semarang area. All sample data obtained through the spread of questioners amounted to 100 respondents and will be processed using SPSS 23 (Statistical Package for Social Science) software.

RESULTS AND DISCUSSION

Validity Test is used to measure the validity or validity of a questionnaire. The question item in the questionnaire is declared valid if

the table r value of the entire question is greater when compared to the calculated r value. While reliability testing is used to determine whether the questions on the questionnaire can produce consistent or stable answers over time. The question item in the questionnaire is declared reliable if the entire question item has a value of cronbach's alpha > 0.60 (Now and Bougie, 2016:290).

Based on the table above, it can be seen that the entire question item in the questionnaire has a calculated r value > r table, so it can be concluded that all question items created by the questionnaire nature are declared valid. Similarly, for reliability testing, the table above indicates that the entire question item has a value of cronbach's alpha > 0.60.

Table 2. Validity and Reliability Test Results

Variabel	Item pertanyaan	r Count	r tabel (df= 111)	Information	Cronbach alpha	Information
Brand Value (X1)	PL 1	0,675	0,1789	Valid	0,876	Reliabel
	PL 2	0,768	0,1789	Valid		
	PL 3	0,886	0,1789	Valid		
	PL 4	0,786	0,1789	Valid		
Brand Awareness (X2)	QA 1	0,865	0,1789	Valid	0,987	Reliabel
	QA 2	0,778	0,1789	Valid		
	QA 3	0,854	0,1789	Valid		
	QA 4	0,753	0,1789	Valid		
Brand Loyalty (X3)	SI 1	0,796	0,1789	Valid	0,976	Reliabel
	SI 2	0,754	0,1789	Valid		
	SI 3	0,732	0,1789	Valid		
	SI 4	0,765	0,1789	Valid		
Brand Equity (X4)	KL 1	0,887	0,1789	Valid	0,876	Reliabel
	KL 2	0,893	0,1789	Valid		
	KL 3	0,806	0,1789	Valid		
	KL 4	0,841	0,1789	Valid		

Source: The results of data processing using SPSS 24

The normality test aims to test whether in the regression model, the resulting error has a normal distribution or not (Santoso; 2012:230). Kolmogorov-Smirnov test

regression model is full of normality assumptions if the value of asymp.sig > Alpha (0.05) (Ghozali, 2018:161).

Table 3. Kolmogorov-Smirnov Normality Test Results

Asymp. Sig. (2-tailed)	Alpha	Result
0.235	0.04	Residual Data Normally Distrobuted

Source: The results of data processing using SPSS 24

Based on table 3 above, kolmogorov-smirnov test results, it appears that the value of Asymp.Sig (2-tailed) > α (0.235 > 0.04), which means that this result reinforces the general result that the regression model fulfills the assumption of normality. The

Multicolerity Test aims to test whether a regression model is found to have a correlation or relationship between free variables (Anderson et al; 2014, 703). A good regression model is that if there is no correlation between free variables, so the

free variables are not Orthogonal. (An Orthogonal variable is an independent variable that has a correlation value between fellow independent variables equal to zero).

The regression model is said not to occur multicollinearity is if the Tolerance value > 0.10 or when the VIF value < 10 (Now and Bougie; 2016, 316).

Table 4. Multicollinearity Test Results

Variabel	Tolerance	VIF	Result
<i>Brand Value</i>	0,883	2,215	Multicollinearity Does Not Occur
<i>Brand Awareness</i>	0,456	1,180	Multicollinearity Does Not Occur
<i>Brand Loyalty</i>	0,374	2,190	Multicollinearity Does Not Occur

Source: The results of data processing using SPSS 24

Based on table 3 above the overall tolerance value > 0.10 and VIF value < 10, so it can be concluded that there is no multicollinearity in the regression model. Heteroskedasticity test aims to test whether in the regression model there is a variance inequality from residual to other observations. then it is called Homoskedasticity and if different is called Heteroskedasticity (Ghozali 2018, 137). A good regression model is if not heteros-

kedasticity occurs, in other words a good regression model is one that has a fixed residual variance of one kepeng observation Another or homoskedasticity (Ghozali 2018, 137). To test heteroskedasticity using a non-graphical method (Glejser Test) a regression model is not occurring Heteroskedasticity when the sig value > α (0.05) (Ghozali 2018,142).

Table 5. Glejser Heteroskedasticity Test Results

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig
1 (Constant)	2.449	.649		3.775	.000
<i>Brand Value</i>	-.012	.052	-.023	-.239	.812
<i>Brand_Awareness</i>	.024	.056	.066	.421	.675
<i>Brand Loyalty</i>	-.110	.056	-.308	-1.973	.051

a. Dependent Variable: ARES_1

Source: The results of data processing using SPSS 24

Based on table 5 above, using a non-chart method (Glejser Test), it appears that the overall value of Sig > α (0.05), which means that this result amplifies the overall result that there is no heteroskedasticity regression model.

The autocorrelation test aims to find out if there is a correlation between errors in the t period and disruptive errors in the previous period (t-1) in a regression model (Anderson

et al; 2014,788). A good regression model is a regression model without autocorrelation (Ghozali 2018, 110). In this study, to detect the presence or absence of autocorrelation is to use the Durbin–Watson Test (DW test). In the Durbin Watson test a regression model is said to have no autocorrelation when the Durbin Watson (DW) value is located between the du (upper bound) and 4-du values.

Table 6 Autocorrelation Test Results

Model	Durbin Watson
1	2,187

Source: The results of data processing using SPSS 24

Based on durbin watson test results in table 5 above, it appears that durbin watson (DW) value is 2,187. This DW value will be compared to the du (upper bound) and 4-du values obtained from the durbin watson table. Based on the durbin watson table with a sample count of 113 and the number of independent variables as much as 3 and a signification value of 0.05, a du value of 1,736, resulting in a 4-du value of 2,264. From this result, it is seen that dw value is located between du and 4-du values ($1,736 < 2,187 < 2,264$), so it can be concluded that there is no autocorrelation in the regression model. Correlation coefficient tests were conducted to measure how strong the

relationship between independent variables (X) and dependent variables (Y) (Hair et al; 2014:152). The result of the correlation coefficient lies between the correlation value 0 which indicates the absence of a relationship between variables up to 1 indicating the existence of a perfect relationship (Neolac; 2016,129). While the coefficient of determination test aims to find out the average magnitude of variation of dependent variables that can be explained by independent variables (Hair et al; 2014,152). The following are the results of the correlation coefficient and co-determination coefficient test:

Table 7 Correlation and Determination Coefficient Results

Model Summary^b				
<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>
1	.827 ^a	.684	.675	1.286

Source: The results of data processing using SPSS 24

The strong or weak correlation between independent variables and dependent variables is attentensed by looking at the R value. In table 7 above, it is seen that the magnitude of niali R is 0.827 which means independent variable namely Brand Value (X1), Brand Awareness (X2), and Brand Loyalty (X3), has a very strong relationship with dependent variable namely Brand Value (Y) because it is located between 0.80-0.999 (Neolaka; 2016.129). As for knowing the average magnitude of variations of dependent variables that can be described by independent variables can be seen by using the value Adjusted R Square. In table 7 above, adjusted R Square value of 0.675 which means 67.5% variation of Brand Equity (Y) variable can be explained by Variations of Brand Value (X1), Brand Awareness (X2), and Brand Loyalty (X3) while the remaining 33.0% is explained by

other variable variations not found in this study.

CONCLUSIONS

Brand Value has a positive and significant effect on Brand Equity at Bank Muamalat in Semarang. So it becomes important for Sharia banking, especially Bank Muamalat to continue to be able to increase the Brand Value of its customers, because the better the Brand Value of the customers to the company or brand, it will create and improve the Brand Equity of the customers to the company or brand.

Brand Awareness has a positive and significant effect on Brand Equity at Bank Muamalat in Semarang, so that the need for Sharia banking, especially Bank Muamalat, to continue to be able to increase customer Brand Awareness of the company's products or brands, because the better consumers

know or are aware of the company's products or brands, will further remind Brand Equity of its customers.

Brand Loyalty has a positive and significant effect on Brand Equity at Bank Muamalat in Semarang, meaning brand equity is an important thing that must be sharia banking, especially Bank Muamalat instilled in the mind or mind of its customers, because the stronger the brand image in the mind or mind of consumers will form and improve the Brand Equity of consumers or customers of the product or brand concerned.

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