

THE ANALYSIS OF BRAND BUILDING FACTOR OF TEA PRODUCT IN SURABAYA

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ABSTRACT

The aim of this research is to test the variables formers of tea products' branding in Surabaya. The investigated variables in this research are packaging variable (X1), product quality variable (X2), and price variable (X3). The packaging variable has four indicators such as materials, logos, colors, and sizes. The product quality variable has four indicators such as product durability, product conformity, design variation, and comfort of use. The prize variable is also has four indicators such as prize affordability, prize conformity with the quality, prize conformity with the benefit(s), and prize competitiveness. This research uses a confirmatory factor analysis as the measuring instrument. The populations of this research are Surabaya citizens who consume 60 teas. There are 53 respondents as the samples taken by non-probability sampling techniques by using purposive sampling method. The analysis result shows that the biggest determinant indicator of the prize variable is the prize conformity with the benefits, followed by the biggest determinant indicator of the packaging variable which is colors, and the biggest determinant indicator of the product quality variable is comfort of use.

Keywords: branding, packaging, product quality, prize

INTRODUCTION

Advertisement is a promotional program to inform any information regarding a product to costumers which has to be done effectively and efficiently because it would be one of the determinants in increasing selling besides product quality, price, customers service level and seller capability. The way to delivers advertisement to customers can utilize some media such as printed media, television, radio, billboards or banners. Advertising is one of the ways where a brand can be seen and will be impacted on a tendency to be bought.

In Indonesia, there is an institution that surveys brands and determines the top brand award, which given to the best brands based on customers' choices. According to the Top Brand Award official website in 2016, the top brand award for food and beverage category such as ready to drink packaging teas are given to Teh Botol Sosro in the first position, then followed by Teh Pucuk Harum as the second position, and Teh Gelas as the third. The criteria determination to win the Top Brand is the customers' choices through the survey by looking at the three parameters such as Top Mind of Share, Top of Market Share, and Top of Commitment Share. In 2012, still in the Top Brand Award official website, Sariwangi wins the food and beverage category for tea bag by 81% and becomes the only one top brand in this category at that time.

Akar Pulung is one of the companies which produces food and beverage products. Akar Pulung started to produce food and beverage since 2010. Akar Pulung produces new product that is fragrant tea shaped in tea bag and brewed. This product is produced to meet the market's demand that does not prefer the herbs flavour which is contained in the previous herb tea product.

It is important to analyse the factors which building a brand in order to boost sales and introduce Akar Pulung products to public. Simamora (2002) stated that the existence of a brand has a benefit for buyers, society and sellers. The benefits for the buyers are to image the quality and help in giving attention to new product that might be useful for them. Hence, strengthening Akar Pulung products' brand is the right market strategy to compete with other companies. Supported by the previous researches about the factors that influenced by tea brand, thus in this thesis the researcher examines the Analysis of Brand Building Factors of Tea Product in Surabaya to find out what the factors and the indicator which have been occurred before it can be applied in this research.

LITERATURE REVIEW

Previous Research

Sigh and Dr. Anita (2012) wrote a research journal *Consumers Buying towards Branded Tea's*. This research examined the customers' behaviour towards the purchase of the tea brand. It was conducted in India where tea was a popular beverage. This research connected the branded teas with the local product teas. The result showed that all level of tea penetration in India reached 77.2 % in average and the result was also showed that price; gift, scheme, brand, quality standards, packaging, consumption intensity, attractive facilities, and customers' awareness are the important factors which influence the customers' behaviour towards the purchase of the tea brand.

Brand

American Marketing Association (AMA) defines brand as a name, term, sign, symbol or design, or combination of all that aimed to describe a stuff or service and at the end can distinguish itself with others (Kotler, 2002).

Brand image, according to Buchari (in Octaviana, 2016), image is an impression which thought and known by someone or a group about a good thing of a company or its products. Tjiptono (in Octaviana, 2016), stated that brand image is a set of confidence, ideas and impressions which owned by someone toward an object. Armstrong and Kotler (in Octaviana, 2016) said that brand as a name, term, sign, symbol or design, or combination of all that intended to identify of the competitors' stuff and services and a certain form of a meaning trace which left in customers' mind.

There are some supported factors that building brand image, such as favourability of brand association, strength of brand association, and uniqueness of brand association (Keller in Ferriadewi, 2008). According to Ambadar (2007), there are two brand functions: identifying a product, thus the customers recognize diverse trademarks and helping to get the potential buyers.

Brand Trust

According to Costabile research (in Ferinnadewi, 2008), brand trust is a perception of the reliability from customers' perspectives based on the experiences, or more on the transaction sequence or interaction which characterized by the expectation achievement of product performance and satisfaction.

According to Kustini (2011:23), brand trust can be measured by dimension of viability and dimension of intentionality.

Brand Strategy

According to Schultz and Barnes (in Wibisono, 2010), brand strategy can be defined as a brand management where there is an activity that organises all elements which aimed to build a brand. Brand strategy is included brand positioning, brand identity, and brand personality (Gelder, in Wibisono, 2010). Schultz and Barnes (in Wibisono, 2010) were also added that brand communication is also included as brand strategy.

Brand Awareness

According to Aaker, brand awareness is the strength size of a brand existence in customers' mind. Brand awareness includes Brand Recognition (a brand that has been known by the customer), Brand Recall (a brand that has been recalled by the customer for a certain product category), Top of Mind (the first brand that has been mentioned by the customer as a certain product category), and Dominant Brand (the only brand that is remembered by the customer).

Marketing Mix

Kotler (2012:101) stated that marketing mix is a set of marketing stuff which used by a company to achieve the marketing goal in the target market continuously. It can be classified become 4P; Product, Price, Place, and Promotion (Kotler, 2011:181).

Packaging

Packaging is a process which related to the container or wrapper design and production of a product (Tjiptono, 2002:151). According to Kotler, there are four packaging functions as a one of the marketing stuff, such as self-service, consumer affluence, company and brand image, innovation opportunity.

The packaging indicators which used in this research refer to Kotler and Wirya such as:

1. Material: There are several kinds of material which used for packaging, such as paper, glass, aluminium foil, plastic and metal.
2. Logo: A trademark or company logo has an important role to improve packaging for examples are communicative, symbol identity.
3. Colour: Customers are pay attention to colour rather than shape or form, and colour is the first thing that is displayed in a product.
4. Size: Packaging size is depended on the kind of product that wrapped, whether the length, width, or thinness and thickness of the packaging.

Tea

Tea (*Camellia sinensis*) is a branched herbaceous plant which has a round stem. The leaves are ovalis with serrated edge. The leaves colour is green and glossy. The tea flowers are white in the leaf axil and scented aromatic. The fruit is round. Before cooked and become brown, the fruit is green (Mursito in Daroini, 2006). The chemical composition in tealeaves is influenced by the quality of tea produced. Those chemical components are directly influenced against colour, flavour, and the tea steeping stimulation (Nasution and Tjiptadi, in Daroini, 2006).

In Indonesia, there are three kinds of tea based on the process, such as black tea/fermented tea, green tea/unfermented tea, and jasmine tea.

RESEARCH METHODS

This research is a factor analysis research. Factor analysis is a multivariate statistic technique which applied to examine the connection of variables that has interdependency relationship. This research uses second order confirmation factor analysis (CFA) model. This model is a measurement model where the main factor is measured by a number of indicators based on some indicators (Dachlan, in Juanda, 2005).

The questionnaire of this research is conducted in Surabaya. The research is conducted during June 2016 until May 2017, whereas the data collection is conducted in March 2017.

The target population in this research are 60 respondents of tea customers who are living in Surabaya. The samples of this research are 53 customers who have been drinking tea. This research applies Non-probability sampling technique and purposive sampling method with the inclusion criteria of tea customers and live in Surabaya.

The sources of data in this research are references which used from branding and respondents' questionnaire. Then, for the data collection uses quantitative data in form of numbers that processed using mathematic calculation technique. The data collection is conducted by distributing questionnaire to the respondents.

This research focuses on finding out what factors that build a tea branding. The researcher expects that this research can be applied by tea products' companies for branding their products to be more known by public and can compete with other competitors.

The data analysis of this research uses second order Confirmatory Factor analysis (CFA) with Partial Least Square (PLS) because the samples used are less than 100. There are two analysis steps in this research, the first analysis is done from dimension latent construct to the indicators and the second analysis is done from latent construct to the dimension construct. In analysing second order CFA, it is suggested to apply repeated indicators approach or also called hierarchical component model (Ghozali, 2015).

Reflective indicators is evaluated through the convergent validity and discriminant from the indicator which forms latent construct and composite reliability also cronbach alpha for the indicators block (Chin, in Ghozali, 2015).

The first testing step is conducted on first order reflective indicators by using convergent validity test (loading factor, AVE, and communalities), discriminant validity, reliability (cronbach's alpha and composite reliability) and reflective indicators hypothesis by using outer loading test. The second testing step is conducted on second order formative construct by using t-statistic test through resampling method (bootstrapping).

This research uses 5% level significance so if t-statistic value is more than t-table ($t_{table}=1.96$ with $\alpha=0.05$) thus, it can be concluded that the formative indicators are valid.

RESULTS AND DISCUSSIONS

The Packaging Variable of Brand Building

The research data discovers that the lowest factor loading value of packaging variable (X1) is found in indicator (X1.3) which discusses packaging colour has the lowest value, means that the respondents' answers at that question are the most homogeneous.

Based on the average value in every indicator of packaging variable, the result of X1.1 or material indicator has the highest value while in X1.3 or colour indicator has the lowest value. Thus, it can be assumed that respondents or tea customers mostly prefer a product with safe and practical packaging to be consumed.

The occurring conclusion about packaging variable of brand building supported by previous research, explained that packaging variable is significantly influenced in building purchase decision of a brand (Singh, 2012). "Packaging is common activities in stuff planning which involves design determining and wrapper or packaging making of a stuff" (Kotler, 1999:227). Packaging is a process which related to container or wrapper designing and making of a product (Tjiptono, 2002:151).

Packaging as early market media can be seen first by the customers. It becomes an early opportunity to build brand of a product for the early presentation. In this globalisation era, an interesting presentation can be attraction and characteristic of a product, so customers can remember that product.

This fact supports the theoretical fact and indicators that used in this research. There are several aspects which build branding of packaging variable such as material, logo, colour, and size of the packaging. The result of this research reveals that packaging variable is significantly influenced in building branding of tea product.

Due to those aspects are included in packaging variable and build branding, so companies in branding a product to create a right and effective branding strategy as requirement by the customers and happening trend should consider those points.

The Product Quality Variable of Brand Building

The research data discovers that the lowest factor loading value of product quality variable (X2) is found in indicator (X2.4) which discusses the comfort of use has the lowest value, means that the respondents' answers at that question are the most homogeneous rather than other indicators in product quality variable.

Based on the result of respondents' answers, mostly the respondents agree that good product quality will build branding of that tea product. Yet, some respondents have ever been disappointed by their expected product quality.

Based on the average value of respondent's answers in quality variable, X2.2 indicator (product conformity) is the highest one while X2.1 indicator (product durability) is the lowest one. Thus, it can be assumed that respondents or tea customers mostly prefer a product with safe and practical packaging to be consumed. It means that customers prefer good or no defected product with short time durability.

Product quality variable is one of the variables in this research supported by Sigh and Dr. Anita (2012) research as the previous research which showed that price, gift, scheme, brand, product quality standard, packaging, consumption intensity, attractive facility, and customers' awareness are the important factors which influence customers' behaviour toward that tea brand purchase. It is the basic reason why product quality variable is used as a brand-building factor in this research.

Product quality variable becomes a point that considered by the customers in buying a product and will be embedded in that product how far the product quality which given to the customers is. Thus, it becomes the customers' reference when they want to buy similar product next time. Hence, the product offered to the customers should has a good quality product than the similar products which produced by other competitors. If a company can maintain the quality consistency of the product, there will be a brand trust in customers' mind while they buy that product.

Some indicators such as product durability, product conformity, design variation, and the comfort of use mainly build product quality. In accordance to the result of this research which shows that product quality variable is significantly influenced as branding building of tea product. Hence, product quality variable should be improved and guarded (the value) to attain the regulation standard and can give positive value to product functions and customers' needs.

Price Variable of Brand Building

It is found that the lowest factor loading value from price factor (X3) is in indicator (X3.3) which discusses about price conformity with product quality has the lowest value, means that the respondents' answers at that question are the most homogeneous rather than other questions of price variable. It means that the respondents (here are the customers) feel that product quality they get is worthy with the price they pay.

According to the average value in each indicator in price variable, the result shows that X3.2 indicator (price conformity with quality) is the highest indicator, while X3.4 (price competitiveness) has a low value. It means that respondents or customers have felt that the price they pay is worthy with the quality they get but lack of price competitiveness as compared with similar products. Therefore, a tea product is expected to have more value to be given to costumers as a product with improvement value besides its benefit as a bursting thirst product.

Price is a number of money which must be paid by customers to get a certain product. The conclusion of this research is that price factor is significantly influenced as branding building of tea product according to the test and data calculation. As the result of the previous research, that “price, gift, scheme, brand, product quality standard, packaging, consumption intensity, attractive facilities, and customers awareness are the important factors which influences customers behaviour toward tea brand purchase” (Sigh and Dr. Anita, 2012). Furthermore, Kotler and Amstrong (in Amrullah, 2006) stated that some price indicators such as price affordability, price conformity with product quality, price competitiveness with production benefits also support it.

According to the demography data, majority of respondents income 2.500.000 IDR-4.999.999 IDR and dominated by women respondents, it is found that the high significance price on price variable with an interesting price offer or affordable is the same as branding building of that product. The brand product launching to customers is the first step for a manufacturer in selling its products.

It can concluded that price variable is a variable that should be considered and included in variable which has the highest significance value in building a tea brand , because there are many good quality products in market so it should be supported by interesting price then boosting the tea customers attraction to buy.

CONCLUSION

Based on the results of this research and after going through data calculation and discussion, it can be concluded that:

- 1) Packaging Variable (X1) builds tea product branding in Surabaya
- 2) Product Quality Variable (X2) builds tea product branding in Surabaya
- 3) Price Variable (X3) builds tea product branding in Surabaya

Packaging variable, product quality variable, and price variable build branding of tea product in Surabaya, thus this research states that the factors of tea products branding building in Surabaya can be accepted and the research questions of this research are answered.

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