

# CHAPTER I

## INTRODUCTION

### 1.1 Research Background

Currently since the internet growth rapidly people especially youth start to leaving television and spend more time surfing on streaming sites or social media. Even though still there are a lot people watch television but the number of viewers will continuously decrease because on streaming sites people can chose what they want to see. However television remains the most effective medium for reaching today's customers and it also most efficient for introducing people to brands.

Today's world is characterized by broadening dimensions of trade fuelled by liberalization, privatization, and globalization. Every business is trying to be the market leader. For this, they rely large on market positioning through advertising of their products (Anu and Aswathy, 2014). Marketing is a very important factor in the company, so it can be said marketing is at the heart of corporate life (Ali and Djoko, 2013). Successful marketing done by the Pocari Sweat will affect the purchasing decisions taken by consumer. Therefore, Pocari Sweat need to know the factors that can influence consumers in making purchasing decisions on beverage .

There are various channel being used by Pocari Sweat to promote the product and television advertising is one of them. Usually theme of their television advertising is high school student where the scene is commonly same in Japan and Indonesia. Slogan and celebrity endorsments are their way to attract the potential

consumer to watch their advertisement *Go Ion* as the slogan means that you can drink this beverage after doing several exercise as the replacement of mineral water. Pocari Sweat is a scientifically formulated health hydration drink which helps to manage dehydration due to the loss of fluids through sweating (Pocari Sweat, 2017)

Celebrity endorser is an individual who is known by the public for his or her achievements in areas other than that of the product class endorsed (Friedman and Friedman, 2013). In Indonesia JKT48 is one of the celebrity that frequently appear on their television advertising. JKT48 is very famous idol group in Indonesia with the large number of fanbase. Ironically in Japan their sister group which is AKB48 not really frequently endorse the product as AKB48 doesn't have an athletic or sporty image. In Japan Pocari Sweat is one of popular brand that only very famous star can appear on their television advertisements. For example is Takeshi Kitano as the top film director in Japan.

Brand equity is an instrument to measure the competitive strength of Brands (Farquhar,1989) That have been studied from two perspectives: According Aaker (1991) Brand equity consists of five dimensions: 1)Awareness, 2) perceived quality of the brand, 3) brand associations, 4), brand loyalty, and 5)other assets (such as copyright and patents). He knows these dimensions as basis of measuring brand equity. The cost of advertising (and other brand promotion activities) present and past, brand age, in order entering the market, share of advertising are mentioned sources of brand equity.

Customer purchase decision process can sometimes be a complex process and consumers can rely on the information about specific products and brands and their consumer experience gathered to reach purchase decision (Jiang and Rosenbloom, 2005). Operational definition of the purchase decision can be defined that every consumer has five stages of decision making, especially in complex decision situations: recognizing the problem, research to gather information, evaluate options, and make decisions about purchases, behavior after purchase. Purchasing process is started much before the actual time of purchase and its consequences continue until long time after the purchase.

Their television advertising is one of the most attractive and always up to date in Indonesia (Kompasiana, 2015) In Japan even they won an award “Long Life Design 2016” as the extension of the Good Design Award from Japan Institute of Design Promotion (Otsuka, 2016)

For the brand association, which are on the images of the brand. Pocari Sweat as isotonic drink be accepted by the people as the commodity. Pocari Sweat will come up from people’s mind everytime they think about the drink after doing activities especially sport activities. Whereas it actually can be replaced by mineral water but their ability to let false need occur for the people.

On the element of the perceived quality it is related with consumer perception with quality or performance of the products and services. Pocari Sweat currently has strong brand in Indonesia. Pocari Sweat is one of the most expensive softdrink in Indonesia and Japan. Even though there are a lot of another similar product but people usually will rate Pocari Sweat as the top in term of quality. We

also can see how people rate their quality as they are currently the market leader in Isotonic drink.

While on the element of brand loyalty will be seen by how the brands retain their consumers. As the commodity product will be not difficult for Pocari Sweat to retain the consumer loyalty. But with there are a lot of competitor and any similar product Pocari Sweat should find a way to retain their consumer. In Indonesia and Japan the sales of Pocari Sweat is always high and usually above the average compare to another similar product. Their sales in Indonesia in 2011 is IDR 1.7 Trillion increasing 23% from previous year and they are the market leader of isotonic drink (Bisnis.com 2011)

Last from the television advertisement's side, according to (Anu and Aswathy, 2014) among the different advertising mediums, television advertising has got a pivotal role. Television advertising can be seen by all the people. Attractive concept of advertising, famous celebrity endorser and nice slogan can influence people's view and even their decision for buying a product. Television advertising that appear frequently will catch more people attention and also make people familiar with the product. In social media especially Indonesian netizen, Pocari Sweat television advertising become the discussion because most of star in the tv advertising are so attractive that let people out of curiosity (Kompasiana, 2015).

This research is conducted in order to study the influence of brand equity and television advertising on consumer purchase decision of Pocari Sweat in two different culture countries Indonesia and Japan. The variables of brand equity are:

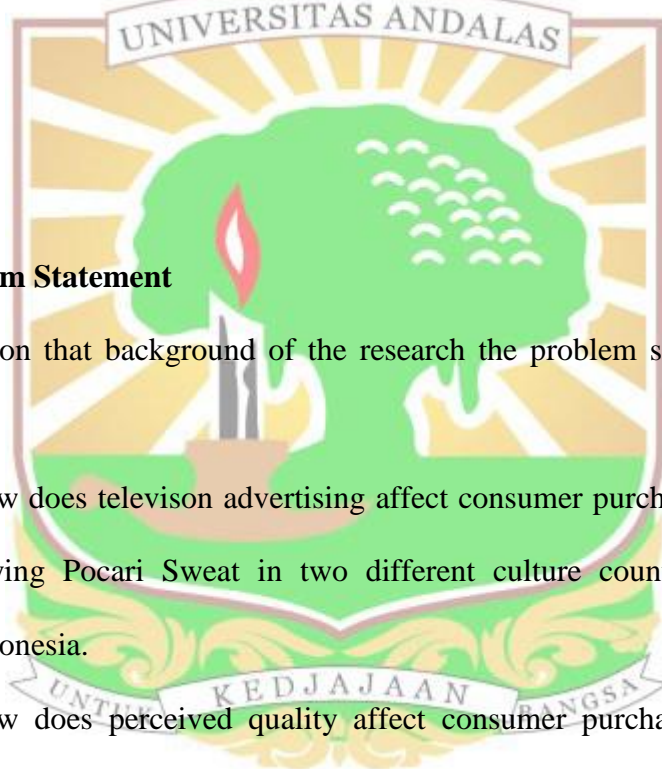
brand association, perceived quality, and brand loyalty, with one more variable which is television advertising and this research can give useful input for the companies.

Based on the description of the background that have been outlined above, researcher interested in conducting research with the heading **“The Influence of Television Advertising and Brand Equity toward Consumer Purchase Decision for Pocari Sweat(Case:Pocari Sweat inIndonesia and Japan)”**

## 1.2 Problem Statement

Based on that background of the research the problem statement of this research are:

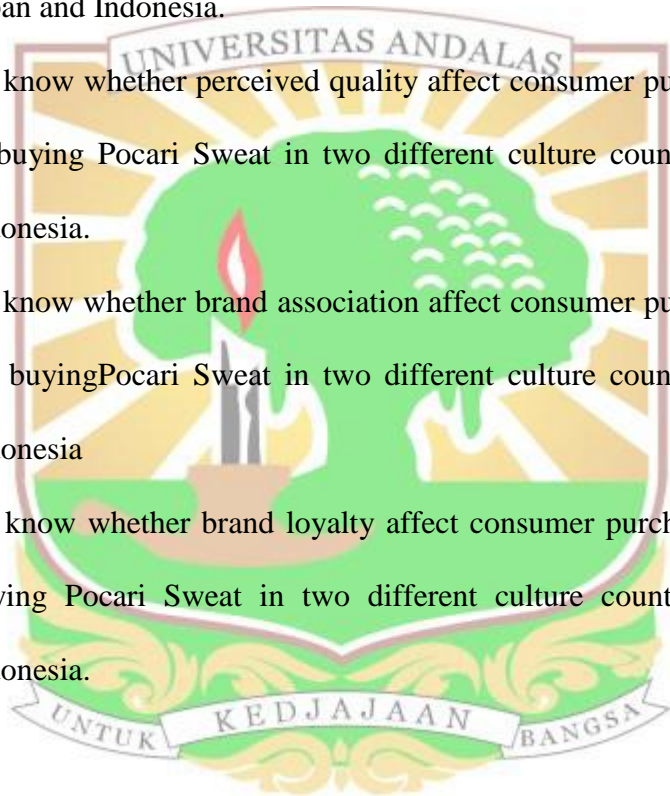
1. How does television advertising affect consumer purchase decision for buying Pocari Sweat in two different culture countries Japan and Indonesia.
2. How does perceived quality affect consumer purchase decision for buying Pocari Sweat in two different cultures countries Japan and Indonesia.
3. How does brand association affect consumer purchase decision for buying Pocari Sweat in different culture countries Japan and Indonesia.
4. How does brand loyalty affect consumer purchase decision for buying Pocari Sweat in two different culture countries Japan and Indonesia.



### 1.3 Objectives of the Research

Based on the problem statement, there are several objective of this research:

1. To know whether television advertising affect consumer purchase decision forbuying Pocari Sweat in two different culture countries Japan and Indonesia.
2. To know whether perceived quality affect consumer purchase decision forbuying Pocari Sweat in two different culture countries Japan and Indonesia.
3. To know whether brand association affect consumer purchase decision for buyingPocari Sweat in two different culture countries Japan and Indonesia
4. To know whether brand loyalty affect consumer purchase decision in buying Pocari Sweat in two different culture countries Japan and Indonesia.



### 1.4 Contribution of the Research

There are several contributions that we get from this research:

1. For company

This study is expected to be considered for companies as the guide or recommendation for management practitioners that run the business

particularly in relation with the influence of brand perceived quality, brand association, brand loyalty and television advertising.

## 2. For academics contribution

The result of this research hopefully will contribute for other researchers who are interested in investigating the same topic in the future.

### 1.5 Scope of the Research

The scopes that we use in this research are:

1. The object of this research is the consumer of softdrink in Japan and Indonesia.
2. This research did not measure the result of perceived quality, brand association, brand loyalty and television advertising but only give the information about the variable that can improve the consumer purchase decision of Pocari Sweat.

### 1.6 Outline of Research

In order to make it easier and make moderate the forwarding of content, this research is divided into five chapters, they are:

## CHAPTER I : INTRODUCTION

That is containing about background of the research, problem statement, and objective of the research, contribution of the research, and scope of research.

## **CHAPTER II : LITERATURE REVIEW**

This chapter contains descriptions of theoretical variables that include the theories that support and underlie the variables used in the research and framework.

## **CHAPTER III :RESEARCH METHOD**

Explaining about research method which discussing about research design, population and sample, data collecting method, operational of variables, data processing, data analysis method and data analysis.

## **CHAPTER IV : RESULTS AND ANALYSIS**

This chapter conducts research model, and the data process of the research which consist of validity test and reliability test and testing of hypothesis.

## **CHAPTER V :CONCLUSION, LIMITATION , AND RECOMMENDATION.**

On this chapter, researcher will explain about conclusion of research, suggestion of research, limitation of the research, and recommendation for further research.

