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Brand Image as Mediation Effect of Experiential Marketing and Differentiation Product to the Buying Decision of Toyota Cars

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BRAND IMAGE AS MEDIATION EFFECT OF EXPERIENTIAL MARKETING AND DIFFERENTIATION PRODUCT ON THE BUYING DECISION OF TOYOTA CARS

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Abstract. Toyota remains the best-selling car manufacturer in Indonesia. Toyota’s sales in the first four months of 2016 reached 111,363 units with a 38 percent market share. The purpose of this study is to know whether brand image mediates the influence of experiental marketing and differentiation product on the purchase of Toyota car at PT Astra international Tbk Auto 2000 Kertajaya, Surabaya. Toyota remains the best-selling car manufacturer in Indonesia. Toyota’s sales in the first four months of 2016 reached 111,363 units with a 38 percent market share. Population used in this study are consumers who buy cars at PT Astra international Tbk Auto 2000 Kertajaya, located in Jl. Kertajaya Indah Timur 35 Surabaya. In this study, the sampling technique was accidental sampling in which 100 consumers were interviewed during the survey time. Then, its data were analyzed with path analysis. Multiple Regression Analysis (MRA) is used for getting the parameter of path analysis. As a result, this study showed that brand image was a partial-intervening variable in both experiental marketing relationship and differentiation product relationship to purchase Toyota cars at PT Astra international Tbk Auto 2000. The limitation of this study is that used population is from only one branch in Surabaya. It means, the result can’t be generalized for Indonesian market.

INTRODUCTION

A decision to buy a product is strongly influenced by an assessment. A decision to buy a product is strongly influenced by an assessment of the quality of the product. The demand for highly qualified goods leads many companies in various business fields competing each other to improve their products’ quality as well as to sustain their products’ brand image. Indeed, a product brand has its own characteristics that can differentiate its specific characteristics from other products. Experiential marketing is an approach in marketing that has been done by marketers since many years ago up till now. Ayunda (2015), states that there has been a shift from traditional marketing approach to experiential marketing approach due to three factors in the business world. The first factor is in relation to information technology. The current technological sophistication as a result of information technology revolution can make people share experience with others all around the world through computers, cell phones, and other media. The second factor is the strength of a product brand through the advanced information technology. Today, a brand can be easily and globally widespread through various media in which a brand is no longer considered as a functional means. However, a product image is currently more as a meaningful means that is as a creator for exploring consumers’ experience and the last factor is a result of communication shift. Nowadays, the amount of entertainment has increased everywhere so all products and services tend to be recognized as branded ones. As the branded products are highly numbered, so marketers should create specific forms of communication and entertainment that are able to develop consumers’ experience (Ayunda, 2015).

Unique brands became the starting point for the creation of marketing characteristics that can strengthen the brand image of the organization (Chaudhuri & Holbrook, 2001; Srivastava, Fahey, & Shervani, 1998; Pujadi, 2010). Today, consumers are very critical in choosing as well as in deciding to buy a product. As we all know that the current product offers are very diverse and numerous, including the offers for cars which have been developed rapidly. The various numbers of car brands also allow consumers to consider appropriate choices of brands. In this study, the car brand focused is Toyota brand. Based on the description and background of problems above, the authors are interested to conduct a research titled: “brand image as a me-
Experiential marketing and differentiation product on the purchase decision of Toyota cars. Therefore, the research questions in this study are as follows:
1. Does experiential marketing influence brand image at PT Astra International Tbk auto 2000 Kertajaya?
2. Does differentiation product influence brand image at PT Astra International Tbk auto 2000 Kertajaya?
3. Does experiential marketing influence buying decision at PT Astra International Tbk auto 2000 Kertajaya?
4. Does differentiation product influence buying decision at PT Astra International Tbk auto 2000 Kertajaya?
5. Does brand image influence the buying decision at PT Astra International Tbk auto 2000 Kertajaya?

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Understanding Experiential Marketing

Experiential Marketing

Experiential marketing is an approach to provide more valuable information rather than knowledge about a product or service. As adapted from marketing aesthetics (Saputra & Dewi, 2016; Veronika, 2012; Wibisono, Yani, & Muhlisyah, 2016), experiential marketing is a new approach in the field of marketing discipline that refers to individuals, both rationally and emotionally, having particular stimulation from external opinions to create individual perceptions that can give impacts for future individual decisions. Moreover, experiential marketing is defined by Schmitt and Roger (2004) as a marketing approach that involves emotions and feelings of consumers by creating positive and unforgettable experiences so that the consumers finally consume and become fanatical towards certain products. Schmitt and Roger (2004) further states that marketers offer their products and services by stimulating the emotional elements of consumers that produce various experiences for consumers.

According to Smilansky (2009), experiential marketing is the process of identifying and satisfying the needs and aspirations of lucrative customers, involving them through two-way communication that brings the brand personality to life and adds value to the target audience. Meanwhile, Dewanti, Chu, and Wibisono (2011) explains that experiential marketing is a marketing concept combining elements of emotion, logic, and the whole process of consumer thinking that are ultimately connected with consumers.

Brand Image

The brand image is a representation of the whole perceptions of the brand that are formed from past information and experience against the brand. According to Keller and Lehmann (2009), brand image is the assumption about a brand that consumers reflect on consumer memories. The image of a brand relates to an attitude of belief and preference to a brand that influence a decision to purchase the brand. Images raise the beliefs of ideas and impressions formed by a person against the object of a product. According to Kotler (2002), “Identity is the various ways that are directed by companies to identify the specific positions of their products.” While the image is the public perception of the company or product. So it is clear that “brand image” is how a brand affects perception and views of society or consumers towards the company or its products.

According to Sehgal (2006), brand image is what is perceived by consumers about a brand. This concerns on how a consumer describes what they feel about the brand as well as what they think about it. In the concept of marketing, brand image is often referred as a psychological aspect as an image built in the consumer’s subconscious through information and expectations about the product or service. For the construction of a brand image, the development of positive image is essential for companies. Without a strong and positive image, it is very difficult for a company to attract new customers and to retain the repeated consumers; and at the same time, companies may ask customers to pay a higher price.

Product Differentiation

Before explaining further the differentiation of the product, it firstly needs to explain the meaning of differentiation. According to Kertajaya (2010), differentiation means all efforts made by companies to create differences among competitors in the purpose to provide the best value to consumers. Further, Kotler (2002) defines differentiation as a means of designing meaningful differences to differentiate a firm’s offer from its competitors’ offers. Differentiation strategy is a strategy that can maintain customer loyalty by using differentiation strategy, so customers get more value compared to other products.

The meaning of differentiation is more than the positioning. It binds the complex differences that characterize the entity of a product. The notion of differentiation, according to Kotler (2002), is the process that adds a series of important and valuable differences in order to increase the company’s offer higher than the competitor’s offer. Moreover, differentiation is the act of designing a set of meaningful differences to differentiate a company’s offer from a competitor’s offer (Kinata, 2016; Kotler, 2002; Krisnawati, Perangin-Angin, Zainal, & Suardi, 2016). Sehgal (2006), states that a successful differentiation strategy must be a strategy that is able to (a) generate customer value, (b) generate perceptions of distinctive and good value, and (c) perform the different forms that are difficult to imitate.
**Buying decision**

The definition of buying decisions, according to Swastha (2008), is to identify all possible options for breaking down and assessing the options systematically and objectively as well as the goals that determine their individual losses. Assael (1998), suggests that the interaction between marketers and their consumers can cause the process of sensing, evaluating products, considering how alternative products can meet consumer needs, and finally deciding to purchase.

Buying decision is a decision-making process to consider what will be purchased or not be purchased. Such decision is generally obtained from previous activities. Purchase decision is a problem-solving approach to the activities of people to buy a good or service in fulfilling their wishes and needs, as the result of their information search, evaluation of alternative choices, purchase decisions, and further behaviour (Kotler, 2002; Nugraha & Indrawati, 2017).

Another notion of buying decisions by Durrani, Godil, Baig, and Sajid (2015), the decision is the selection of two or more options. In other words, alternative choices must be available to a person when making decisions. Consumer buying decisions will buy the most preferred product, but two factors can arise between purchase intention and purchase decision. Consumers may intend to buy on the basis of income, the price set, and also the benefits of the product. However, there may be things that can change the consumer’s intention to buy the product, for example, the consumer feels that he or she wants to buy other more important items or there are competitors who offer the goods at a cheaper price.

**Previous Research**

Durrani et al. (2015) findings are the teenagers buying behavior is positively and significantly correlated with advertisement. The results of correlation also interpret that the relationship is positive and highly significant at 0.01 level. There is a practical relation between brand image and teenagers’ buying behaviour. Marketers can utilize the findings in order to come up with various marketing strategies in order to target teenagers in a more precise manner.

Fianto, Hadiwidjoyo, and Aisjah (2014) said that market competition is no longer limited to providing functional attributes of the product itself but has been associated with a brand that can create a special image for its users, especially in the service industry. The results are that brand image has a significant role in influencing the purchasing behavior and brand trust, which also turned out to have a mediating role, although not fully in the relationship between brand image and purchase behavior. Contractor (2016), said that brand image plays a crucial role to boost up any business performance as brand image is an implied tool which can positively change people’s buying behaviours. Brands are one of the most valuable intangible assets that firms have. Brands serve several valuable functions. At their most basic level, brands serve as markers for the offerings of a firm. For customers, brands can simplify choice, promise a particular quality level, reduce risk, and/or engender trust.

Malik et al. (2013) said that brand image and advertisement play a crucial role to boost up any business performance as brand image is an implied tool which can positively change people’s buying behaviors, and advertisement is behaving as a driving force for any business as it’s an effective source to convey your message and stay in customer’s mind. Findings show that brand image and advertisement have strong positive influence on and significant relationship with consumer buying behavior. People perceive the brand image with positive attitude. Study depicted that teenagers in Gujranwala are more conscious about their social status so they prefer branded products, and advertisement affects their consumer buying behavior positively.

Bian and Moutinho (2011), findings are the perceived brand personality plays a more dominant role in explaining consumers’ purchase intention of counterfeit branded products than other influential factors (e.g., benefit and product attribute). Involvement/knowledge has no significant influence on counterfeit purchase intention. Evidence of involvement as a moderator does not exist. Brand image is not a mediator of the effects of involvement/knowledge on purchase intention.

**CONCEPTUAL FRAMEWORK**

The conceptual framework in this study is shown in Figure 1.
**Hypothesis**

Hypothesis in this research is as follow:

H1: Experiental marketing has positive and significant influence on brand image at PT Astra international Tbk auto 2000 Kertajaya.

H2: Differentiation product has positive and significant influence on brand image at PT Astra international Tbk auto 2000 Kertajaya.

H3: Experiental marketing has positive and significant influence on buying decision at PT Astra international Tbk auto 2000 Kertajaya.

H4: Differentiation product has positive and significant influence on buying decision at PT Astra international Tbk auto 2000 Kertajaya.

H5: Brand image has positive and significant influence on buying decision at PT Astra international Tbk auto 2000 Kertajaya.

**RESEARCH METHODS**

**Types of Research and Overview of Population Research**

This is a quantitative study, meaning that the approach is based on the use of numbers, which will then be analyzed statistically. This study measures the influence of price, product quality, location, and facility against buying decision. Population is a collection of members of the object to be studied. The population of this study are consumers who buy a car at PT. Astra international Tbk Auto 2000 Kertajaya, located in Jl. Kertajaya Indah Timur 35 Surabaya, which is very large and infinite.

**Sampling Technique**

The sampling technique used in this study was accidental sampling, where only individuals or groups are found during data collection or who are willing to be respondents. So the sample of this study are consumers who come and buy a car at PT. Astra international Tbk Auto 2000 Kertajaya. According to Sugiyono (2012), the sample is a part of the number and characteristics possessed by the population. The formula used to determine the sample is the Arikunto formula (2006) as follows:

\[ n = \frac{Z^2 \cdot p \cdot q}{d^2} \]

**Information**

- \( n \) = Sample size
- \( Z \) = Normal standard value (1.96)
- \( p \) = Estimator proportion population (0.5)
- \( d \) = Deviation
- \( q = 1 - p \)

In this research, \( d \) is 10% or 0.1. The calculation is

\[ N = \frac{(1.96)^2 \cdot (0.5) \cdot (0.5)}{(0.1)^2} \]

Based on the above calculation, the authors determine that the sample members used in this research were about 100 samples.

**Variables and Definitions of Operational Variables**

**Variables**

Variables are the forms of what are determined by the researcher to be studied so information or data can be obtained to draw a conclusion (Sugiyono, 2012). Then, the variables to be analyzed in this study are as follows:

1. The independent variable is the variable that becomes the occurrence of bound variables. In this study, the independent variables are experiental marketing and differentiation product.
2. Intervening variable is a bound variable in between. In this study, the intervening variable is brand image.
3. The dependent variable is the variable that is affected or caused by the independent variable. In this study, the dependent variable is the buying decision.

**Operational Definition of Variables**

In accordance with the problems of this study, the authors will define the variables observed in this study as follows:

1. **Experiental marketing**
   - Experiental marketing in this research was the product communication of Toyota car that can be measured through:
     - a. Sense (the five senses)
     - b. Feel (feeling)
     - c. Think (way of thinking)
     - d. Act (customs, habits)
     - e. Relate (relation)

2. **Brand image**
   - Brand image in this research is what perceived by participating consumers about Toyota car product that can be measured through:
     - a. The excellent of associated brand
     - b. The strength of associated brand
     - c. The uniqueness of associated brand

3. **Differentiation product**
   - Product differentiation in this study is a valuable series of valuable differences for Toyota car products that are measured through:
     - a. Form.
     - b. Privileges
     - c. Quality performance/quality
4. Buying decision

Buying decision in this research is the stage where buyer will determine purchasing Toyota car product as measured by:

- a. Introduction of needs
- b. Information search
- c. Alternative evaluation
- d. Buying decision
- e. Behavior after purchase

**Statistical Analysis**

For the answer of hypotheses, statistical analysis in this research was done using MRA. There are 2 equation models for this research:

**Equation Model 1:**

| Brand Image = \( \beta_1 \text{Experiental Marketing} + \beta_2 \text{Differentiation Product} \) |

**Equation Model 2:**

| Buying Decision = \( \beta_3 \text{Experiental Marketing} + \beta_4 \text{Differentiation Product} + \beta_5 \text{Brand Image} \) |

\( \beta \) is standardized coefficient parameter in output of MRA.

### RESEARCH RESULTS AND DISCUSSION

#### Results

**Validity Test**

Test Validity for this research refers to Ghozali (2006). The following test gives results of validity with the calculation of Pearson product moment correlation coefficient. This research analysis used computer assistance of the SPSS program. The result of the analysis is the sig value compared with the significant level of 0.05.

The results of SPSS indicated that the test results indicator validity of all independent and dependent variables is valid because the value of sig was smaller than 0.05. So it was stated that all research variables were valid.

**Test of Reliability**

A questionnaire is said to be reliable or reliable if one’s response to a statement is consistent or stable over time. The measurement of reliability in this study was to use a one shot method or one-time measurement only. To measure reliability, this applied Cronbach’s alpha. A construct or variable can be said to be reliable if it gives a Cronbach’s alpha value > 0.60 (Ghozali, 2006). The following test results reliability using Cronbach’s alpha value can be seen in Table 1.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach Alpha</th>
<th>Alpha Coefficient</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experiental Marketing</td>
<td>0.710</td>
<td>0.60</td>
<td>Reliable</td>
</tr>
<tr>
<td>Brand Image</td>
<td>0.711</td>
<td>0.60</td>
<td>Reliable</td>
</tr>
<tr>
<td>Differentiation Product</td>
<td>0.769</td>
<td>0.60</td>
<td>Reliable</td>
</tr>
<tr>
<td>Purchase Decision</td>
<td>0.739</td>
<td>0.60</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

Source: SPSS output

Based on Table 1, it was suggested that the value of Cronbach alpha (\( \alpha \)) in all variables were greater than 0.6; meaning that all variables were considered reliable and valid in this study.

#### Parameter of Equation 1

Parameter of equation 1 is shown in Table 2.

<table>
<thead>
<tr>
<th>Model</th>
<th>Standardized Coefficient</th>
<th>( t )</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experiental Marketing</td>
<td>0.261</td>
<td>3.708</td>
<td>0.000</td>
</tr>
<tr>
<td>Differentiation Product</td>
<td>0.628</td>
<td>8.904</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Dependent variable: Brand image

From Table 2, the equation of model 1 is,

\[ \text{Brand Image} = 0.261 \text{Experiental Marketing} + 0.628 \text{Differentiation Product} \]

The influence of experiental marketing on brand image is significant because the value of Sig. is 0.000 (< 0.05).

The influence of differentiation product on brand image is significant because the value of Sig. is 0.000 (< 0.05).

#### Parameter of Equation 2

Parameter of equation 2 is shown in Table 3.
TABLE 3

<table>
<thead>
<tr>
<th>Model</th>
<th>Standardized Coefficient</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experiental Marketing</td>
<td>0.409</td>
<td>4.444</td>
<td>0.000</td>
</tr>
<tr>
<td>Differentiation Product</td>
<td>-0.251</td>
<td>-2.164</td>
<td>0.033</td>
</tr>
<tr>
<td>Brand Image</td>
<td>0.448</td>
<td>3.615</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Dependent variable: Buying decision

From Table 3, the equation of model 2 is,

Buying Decision = 0.409. Experiental marketing - 0.251. Differentiation Product + 0.448. Brand Image

The influence of Experiental marketing on buying decision is significant because the value of Sig. is 0.000 (<0.05).
The influence of differentiation product on buying decision is significant because the value of Sig. is 0.033 (<0.05).

Mediation Test

From Table 2 and Table 3, we get the mediation test and shown in Figure 4:

From Figure 2, it can be explained that brand image is a partial intervening variable because the direct and indirect effects are significant.

Discussion

The similarity with previous researches of Bian and Moutinho (2011); Contractor (2016); Durrani et al. (2015); Ghosh and Das (2015); Fianto et al. (2014); Malik et al. (2013) is to investigate about buying decisions. While the difference is about the factors that cause a buying decision. Moreover, the different location, time, demographics, and types of product that are derived by different researchers can cause a variety of factors for buying decisions in their studies.

CONCLUSIONS AND RECOMENDATIONS

Conclusions

Based on the research hypothesis, the conclusions of this study were as follow:
1. First Hypothesis saying that experiental marketing has positive and significance influence on brand image at PT Astra international Tbk auto 2000 Kertajaya is accepted.
2. Second Hypothesis saying that differentiation product has positive and significance influence on brand image at PT Astra international Tbk auto 2000 Kertajaya is accepted.
3. Third Hypothesis saying that experiental marketing has positive and significance influence on buying decision at PT Astra international Tbk auto 2000 Kertajaya is accepted.
4. Fourth Hypothesis saying that differentiation product has positive and significance influence on buying decision at PT Astra international Tbk auto 2000 Kertajaya is accepted.
5. Fifth Hypothesis saying that brand image has positive and significance influence on buying decision at PT Astra international Tbk auto 2000 Kertajaya is accepted.
6. Brand image is a partial intervening variable between experiental marketing and buying decision, because the direct and indirect effects are significant.
7. Brand image is a partial intervening variable between differentiation product and buying decision, because the direct and indirect effects are significant.

Recommendations

Based on research conclusions above, the suggestions for this study were as follows:
1. From the results of the research, the direct and indirect in-
fluence of experiential marketing on buying decision through brand image was significant. This means that experiential marketing was very effective to influence the decision of buying a Toyota car at PT Astra international Tbk Auto 2000 Kertajaya. So it is advisable to maintain experiential marketing activities that are currently being done and can even be further enhanced.

2. From the results of the research, the direct and indirect influence of differentiation product on buying decision through brand image was significant. This means that differentiation product is very effective to influence the buying decision of Toyota at PT Astra international Tbk auto 2000 Kertajaya. So it is advisable to maintain the current differentiation product and can even be further enhanced.

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— This article does not have any appendix. —