THE INFLUENCE OF INTEGRATED MARKETING COMMUNICATION (IMC) 
ON BRAND EQUITY AND PURCHASE DECISION 
(Survey on Indosat-M3 customers 
among members of Unit Aktivitas Band Universitas Brawijaya class of 2014)

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ABSTRAK

Penelitian ini bertujuan untuk menguji pengaruh variabel integrated marketing communication (IMC) terhadap ekuitas merek; untuk menguji pengaruh tidak langsung dari variabel integrated marketing communication (IMC) terhadap keputusan pembelian melalui ekuitas merek; dan untuk menguji pengaruh langsung variabel integrated marketing communication (IMC) terhadap keputusan pembelian. Penelitian ini merupakan penelitian explanatory dengan pendekatan kuantitatif. Kuesioner didistribusikan kepada 121 responden dengan menggunakan teknik simple random sampling. Penelitian ini menggunakan teknik analisis jalur (Path analysis) dan analisis deskriptif. Berdasarkan perhitungan analisis jalur menunjukkan bahwa variabel integrated marketing communication (IMC) memiliki pengaruh terhadap ekuitas merek; Hasil juga menunjukkan bahwa ada pengaruh tidak langsung dari variabel integrated marketing communication (IMC) terhadap keputusan pembelian melalui ekuitas merek; Selain itu, hasil menunjukkan bahwa variabel integrated marketing communication (IMC) memiliki pengaruh langsung terhadap keputusan pembelian. Yang menarik, hasil penelitian menunjukkan bahwa terdapat tiga item yang memiliki dampak terendah diantara yang lain, diantaranya media sosial, iklan billboard, dan partisipasi kontes publik. Dengan demikian, perusahaan perlu memberikan perhatian lebih terhadap 3 item tersebut.

Kata Kunci: Integrated Marketing Communication (IMC), ekuitas merek, keputusan pembelian

ABSTRACT

This study aimed to examine the influence of variable integrated marketing communication (IMC) on brand equity; to examine the indirect influence of variable integrated marketing communication (IMC) on purchase decision through brand equity; and to examine the direct influence of variable integrated marketing communication (IMC) on purchase decision. This research used explanatory research and quantitative approach. Data analysis technique involved path analysis and descriptive analysis. Questionnaires were distributed to 121 respondents by simple random sampling technique. Based on calculation of path analysis showed that the variable integrated marketing communication have influence on variable brand equity; The results also showed that there is an indirect influence of variable integrated marketing communication on variable Purchase Decision through Brand equity; Moreover, the results showed that variable integrated marketing communication have a direct influence on purchase decision. Interestingly, the result of the research shows that there are three items which has the lowest impact among others, those are social media, advertisement by billboard, and public contest participation. Thus, the company needs to pay more attention for those three items.

Keywords: Integrated Marketing Communication (IMC), Brand Equity, Purchase Decision
INTRODUCTION
In this globalization era, the development of various aspects of life and economic sectors in the world feels so fast. The speed of change is often described as a change that tends to move exponentially rather than linearly to describe how incredible the movement of change. Above it all, the role of communication and information technologies (where telecommunications in it) is very significant. Without the development of these technologies, the good change will not happen. In Indonesia, behind the technology-driven changes, there is a very significant role from businesses in the communications industry. Communication industry is an industry that moves dynamic, with shorter product life cycle than ever before, with the diversity of innovation in it and become a media of how changes in various sectors facilitated.

Opportunity of cellular market that opened, especially related with the amount of the population, made so many investor to invest, especially after UU No 36/ 1999 about the telecommunication enforced. That UU said that give the chance liberally to telecommunication business, even there are protect rules of the actor by BUMN.

Indonesian association of Cellular Communications (ATSI) assess the growth of the telecommunications industry in 2014 in the range of 7% -8%. The growth was driven by growth in Gross Domestic Product (GDP) of Indonesia that is estimated to be growing at over 6% per year. To anticipate those globalization, nowadays most of SIM card companies drive integrated marketing communication (IMC), which contains of advertising, personal selling, sales promotion, public relation, and direct marketing. The theory of integrated marketing communication (IMC) has received extensive coverage in the literature, but even its most enthusiastic supporters have noted difficulties in translating the theory into reality. Reports on an extensive two-phase learning of the New Zealand advertising and marketing business, undertaken as part of an international series of studies of IMC practical and usage, which showed over the 1997-1998 period. The findings of the first phase, conducted in the middle of 1997, disclose a long-lasting commitment to the integration of marketing communications (marcoms) by both marketers and advertising practitioners. The study also discovered essential dissimilarities in perception between these two groups as to how integrated marcom practices should be accomplished and/or outcomes evaluated. The second phase of the study was conducted in the middle of 1998. These emphases on a study of the extent to which leading organizations have implemented IMC. It also categorizes and measures barriers and problems that have impeded progress in developing and implementing IMC platforms, and examines methods in which such difficulties have been tackled.

LITERATURE REVIEW
Prior Research
The similar type of research had ever researched by Widyaningrum (2012). Her research proved the importance of integrated marketing communication to maintain well relationship with customers and create repeated buying. Widyakusuma (2012) had researched on marketing communications strategy of PT Nokia Indonesia. Dina and Purtanto (2013) also proved that marketing communications strategy through the event which is used by Pocari Sweat in the form of brand equity contained in the personal message line media strategy or interact directly with consumers and message strategy. Taleghani and Almasi (2009) research was took 400 Iran insurance customers in Tonekabon branch. Variables of this research are brand, brand equity, consumers, and Aaker model. Dewhirst and Davis (2005) research were aimed to make readers know brand strategy and integrated marketing communication conducted by ITL as a Canada’s largest tobacco manufacturer. Jaehee and Eunyuong (2006) has attempted to measure and compare the consumer-based brand equity of apparel products by three consumer groups across cultures (Americans in USA, South Koreans in USA, and South Korean in Korea). Nigam and Kaushik (2011) research variables are brand equity, brand association, brand loyalty, and customer purchase decision. 130 respondents were selected. Das (2012). aimed to identifying the factors that influence the customer behavior while they tend to make a purchase decision of mobile handsets. 1200 samples were distributed and then collected (Taken from the 11 coastal districts in Odisha).
THEORITICAL FRAMEWORK
Marketing

Marketing is one of pillar in business activities, even marketing able to become a spearhead to establish business. Before we learn deeper about marketing may we have to know that the definition of simple marketing. Simple marketing is process managing relationship costumer to get income. Two marketing target are interesting new consumer with promisingly the strength value and keep growing existence of consumer then make them satisfied. So many people think that marketing just selling and promoting, but it doesn’t make us wonder. Every day we destroyed by commercial break in television, offered direct letter, offered by telephone, and offered by internet. The marketers understanding what the customer needs, developing product and service covered with great value for the customer. Decide the price, distributing, and also promoting product and service effectively in order to product and service easily to sell their product in market.

Integrated Marketing Communication

According to Keller (2009), marketing communication environment has changed dramatically in recent years, including such a media environment. Therefore, marketing experts must prepare a good strategy to face the competition. Suwantara and Taechamaneesatit (2012) in Anjani (2014) explained that a popular strategy used in the marketing plan to cope with market competition is an integrated marketing communications (IMC), while Keller (2009) explained that integrated marketing communications as the mixing and matching of different communication options to build the desired awareness on the image in the minds of consumers. Additionally, Firzepatrik in Ibrahim and Rehman (2011) in Anjani (2014) explains that the IMC or integrated marketing communications containing a fusion of function - a separate communication functions into a way that allows the organization to speak with "one voice, one face".

Integrated marketing communications can be reflected as advanced concepts of marketing communications. In contrast to traditional marketing communications orientation which rely on mass media campaign strategy only, the IMC not only take a more personalized strategy oriented directly to consumers, but also to follow the trend of the development of technology and use it as a form of approach to consumers, such as the Internet and social media. Kotler and Keller (2009) explains that integrated marketing communications can produce a stronger consistency of message and help build brand equity and create a greater impact sales. Integrated marketing communications forces management to think of all the ways customers in touch with the company, how the company communicates its position, the relative importance of each facility, and the issue of timeliness.

According to Kennedy and Soemanagara (2006), in the study of integrated marketing communications, an effective and efficient promotional activities can be included as part of the concept of the marketing communications mix. Kotler (2000) in Kusumastuti (2009) defines marketing communications in an effort to convey the message to the public, especially the target consumers, regarding the existence of a product in the market. The concept is often used to convey the message known as the promotional mix. Marketing communication mix or promotional mix is a concept in which there is a marketing communication techniques or other forms of business communication in marketing a product.

The Relationship between Marketing Communication and Integrated Marketing Communication.

Marketing communication can be obtained from numerous forms of integrated marketing communications activities or Integrated Marketing Communications (IMC) which is used by the company, including mass media advertising, sales promotion offers, sponsorship activities in sports or entertainment events, website, and direct mail such as letters, brochures, catalogs, or videos (Belch, 2001: 15) in Anjani (2014). Furthermore, Philip Kotler (2008: 120) stated that the Integrated Marketing Communication (IMC) is a specific mix of advertising, personal selling, sales promotion, public relations, and direct marketing which is used by companies to communicate persuasively customer value and build customer relationships. It is supported by theory explained by Tjiptono (2008: 516) that an integrated marketing communications mix consists also of five elements each have the uniqueness, namely advertising, sales promotion, public relations, personal selling, and direct marketing.

Additionally, Duncan (2005:8) explained that the integrated marketing communications mix is the selection function of the MC (marketing
communication), is used as part of a marketing program, while Kotler and Keller (2009) explained that the concept of integrated marketing communication uses also the marketing communications mix, as the communication options are combined and matched to market your products or services.

![Marketing Communication Mix](image)

**Figure 1 : Marketing Communication Mix**  
Source : Kotler (2008)

**Brand Equity**

Brand equity is a phrase used in the marketing industry which describes the value of having a well-known brand name, according to the idea that the owner of a renowned brand name can generate more money from products with that brand name than from products with a less renowned name, as consumers believe that a product with a well-known name is better than goods with fewer well-known names. According to David Aaker (1991:123), brand equity defined as a set of assets and liabilities related to brand, its name and symbol, that adds to or subtracts from the value delivered by a manufactured goods or service to a firm and/or to that firm’s customers.

There are two opinions of the dimensions to measure brand equity. The first is the brand equity dimensions proposed by Aaker (in Yoo, Donthu, and Lee, 2000; Franco and Ramos, 2005; Danibrata 2011; Suwantara and Taechamaneesatit, 2012; Abdollahi et al, 2011; Sumarwan et al, 2010; Setyaningsih, 2008), which consists of: (1) brand awareness, (2) brand loyalty (3) brand associations, (4) perception of quality, and (5) other proprietary brand assets. In some studies (Danibrata 2011; Suwantara and Taechamaneesatit 2012), the fifth aspects / dimensions of brand equity, which is a proprietary brand of assets is not used because it is directly related to the perspective of the owner of the brand, not by consumers. The second opinion is explained by Keller (2009) who states that brand equity is the brand knowledge that exist in the minds of consumers. Knowledge consists of brand awareness and brand image as an indicator of brand equity.

**Purchase Decision**

Purchase decision is the decision processes and actions of people involved in purchasing and using products. Consumer Buying Behavior refers to the purchasing behavior of the ultimate consumer. Consumer buyer behavior is considered to be an inseparable part of marketing and Kotler and Keller (2011) state that consumer purchasing behavior is the study of the ways of buying and disposing of products, services, thoughts or experiences by the individuals, groups and organizations in order to satisfy their needs and wants.

Consumer purchasing behavior has numerous matters as a portion of it which are believed to have some level of influence on the purchasing decisions of the customers. Instead, consumer buying behavior “refers to the buying behavior of last consumers, both individuals and families, who buy goods and services for personal consumption” (Kumar, 2010, p.218). From marketers’ opinion issues specific aspects of consumer behavior that need to be studied include the motives behind consumers making purchases, specific issues influencing the patterns of consumer purchases, analysis of changing factors within the society and other.

**The Relationship between IMC and Brand equity**

Integrated marketing communications have a contribution to brand equity of the company (Kotler & Keller, 2009, p.174). Integrated marketing communications enable companies to connect their brands with people, places, events, brand, experiences, feelings, and other things. They can contribute to brand equity by embedding the brand in memory and create a brand image and drive sales and even affect shareholder value (Kotler & Keller, 2009, p.172-173). Thus, the relationship between them is integrated marketing communication attempted to deliver the message to the public especially target consumer about the existence of products on the market.

**The Relationship between IMC and Purchase Decision**

Peter and Donelly (2010;40) explained that marketing activity, which included Integrated
Marketing Communication (Advertising, Personal Selling, Sales Promotion, Public Relation, Direct Marketing) has an influence on consumer psychological situation in purchase decision process, besides social and situational influences. Thus, it shows that there is a real relationship between purchase decision and IMC as on of their influence.

**The Relationship among IMC, Brand Equity, and Purchase Decision**

According to Morissan (2007), Integrated Marketing Communications is a marketing activity that seeks to create awareness or knowledge about products with various attributes, inform the excess product, creating the image of the product, or creating a positive attitude, preference, and the desire to buy a product. Aaker (1991) also explained that brand equity is important at purchasing time as brand loyalty, brand awareness, perceived quality, brand associations are influences customers and compete with the competitor’s attractions. Thus, there are relationships among IMC, brand equity, and purchase decision and they are connected each other.

**Hypothesis Framework and Formulation**

To understand the objectives of the research issues identified in the preceding chapter, it is important to design a hypothesis framework, that served as a guide for developing hypotheses tested in this research. The hypothesis framework of this research can be drawn as follows:

![Figure 2: Hypothesis](image)

After a brief summary of the theoretical literature, then hypothesis for this research can be formulated as follows:

H1 : IMC have influence on brand equity

H2 : IMC have indirect influence on purchase decision through brand equity

H3 : IMC have direct influence on purchase Decision

**RESEARCH METHOD**

Types of research which used in this research was explanatory research with quantitative method. This research is to analyze the relationship between integrated marketing communication on brand equity and purchase decision. Explanatory definition according to Warwick and Lininger (1975) as quoted by Singarimbun and Effendi (1995:5) is a research which give a prime importance to the causals relationship within the research variables over hypotheses testing. Technique of data gathering in this study is using questionnaires and interviews. Explanatory research is needed to explain and elaborate on the relationship itself to fit the purpose of research. Questionnaire in this study is needed in terms of data collection, and quantitative methods will be used in the processing of these data in order to find the relationships.

**Population**

Population is a group of people, event or incident that has characteristic (Indriantoro and Supomo, 2002:115). Population in this research are the members of Unit Aktivitas Band University of Brawijaya, class of 2014, who registered as an IM3 (Indosat-M3) user.

From the data received from UAB-UB office, in 2014, there are 227 students who registered as a member of Unit Aktivitas Band University of Brawijaya, class of 2014. Interestingly, from 227 students registered, there are 121 members who use IM3 as their SIM card, which concludes that IM3 is a SIM card brand with the greatest number of user in UAB-UB, class of 2014, compared by another brands like Telkomsel, Axis, etc.

**Sample**

Sample is part of the population sample consist of chosen member from population. In others word, a number of, but not whole, population element will form sample (Sekaran, 2006:123). Determination of the number of samples taken in this study is using Yamane formula. Based on Yamane formula, the number of samples taken in this study is about 93 people.
Validity and Reality

Validity is a measurement that show the levels of validity of instrument (Arikunto, 2002:144). Reliability testing technique uses alpha reliability coefficient. Criteria of decision making is decided when the value of alpha reliability coefficient greater than 0.6, then the variable has been reliable. As a matter of fact, the reliability coefficient of Variable X is 0.818, where reliability coefficient of Variable Y1 is 0.833. The reliability coefficient of Variable Y2 is 0.882. It all means that all of my variable used in my minor thesis is realiable since it all greater than 0.6.

Analysis Data Method

Research hypothesis testing is conducted by using a model path analysis and data processing using SPSS 11.5. According to Webley (1997), Path Analysis is a direct development of multiple regression with the objective to provide estimates of the level of interest (magnitude) and significance in a hypothetical causal link set variables.

RESULT AND ANALYSIS

General Overview of Research Location

Unit Aktivitas Band Universitas Brawijaya (UAB UB) is a student activity unit (UKM) in Universitas Brawijaya and built as a shelter of all students activity in music, organization, and event management.

Calculation of Path Analysis

The analysis results of the Integrated Marketing Communication calculation for Brand equity can be seen in Table 1 at the next page.

Table 1

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Standardized Beta Coefficient</th>
<th>t</th>
<th>Probability</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1</td>
<td>0.766</td>
<td>11.355</td>
<td>0.000</td>
<td>Significant</td>
</tr>
</tbody>
</table>

The number of contribution of variable Integrated Marketing Communication (X.1) to variable Brand Equity (Y.1) can be seen from the Adjusted R Square value that is equal to 0.582. It means that about 58.2% of variable Brand equity (Y.1) will be affected by its independent variable, which is the variable Integrated Marketing Communication (X.1), while the remaining 41.8% variable Brand Equity (Y.1) would be influenced by another variables that are not explained in this study.

Further, the results of analysis calculation of Integrated Marketing Communication and Brand Equity to Purchase Decision can be seen in Table 2 below.

Table 2

The Results of Path Coefficients II (X.1, Y1 to Y2)

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Standardized Beta Coefficient</th>
<th>t</th>
<th>Probability</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1</td>
<td>0.487</td>
<td>4.325</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>Y1</td>
<td>0.283</td>
<td>2.510</td>
<td>0.014</td>
<td>Significant</td>
</tr>
</tbody>
</table>

The number of contribution of variable Integrated Marketing Communication (X.1) and Brand Equity (Y.1) to Purchase Decision (Y.2) can be seen from the Adjusted R Square value that is equal to 0.517. It means that about 51.7% of variable Purchase Decision (Y.2) will be affected by its independent variable, which are the variable Integrated Marketing Communication (X.1) and Brand Equity (Y.1), while the remaining 48.3% of variable Purchase Decision (Y.2) will be affected by another variables that are not explained in this study.

From the calculation of the path coefficients in Table 18, it can also be seen partially the indirect effect of the variable Integrated Marketing Communication (X.1) on Purchase Decision (Y.2) through Brand equity (Y.1). The calculation of the indirect effect partially are as follows:

a. The indirect influences of variable Integrated Marketing Communication (X.1) on variable Purchase Decision (Y.2) through Brand equity (Y.1): (P1)(P3) = (0,766)(0,283) = 0,216.

It means that there is an indirect influence of variable Integrated Marketing Communication
(X.1) on variable Purchase Decision (Y.2) through Brand equity (Y.1) as much as 0.216.

b. The total influences of variable Integrated Marketing Communication (X.1) on variable Purchase Decision (Y.2) is equal to 0.703 (0.487 + 0.216). From the two path coefficients shown by Table 17, the path equation can be made below:
\[ Y_1 = 0.766 \times X \]
\[ Y_2 = 0.487 \times X + 0.283 \times Y_1 \]

RESULT OF HYPOTHESIS TESTING
Influence of Integrated Marketing Communication (IMC) on Brand Equity

Results of path analysis showed that there is a positive and significant influence between integrated marketing communication variable on brand equity of the IM3 product. Variables IMC (X.1) revealed as the most dominant variable in influencing variables purchase decision (Y.2). It can be proven by its beta coefficient as much as 0.487, which is larger than beta coefficient of brand equity (Y.1) to purchase decision (Y.2) with total of 0.283.

Influence of Integrated Marketing Communication (IMC) on Purchase Decision through Brand Equity

According to the result of path analysis, integrated marketing communication (IMC) has positive and significant direct influence on purchase decision variable indirectly through brand equity on IM3 product.

Conclusions from the discussion above in accordance with the relevance results of previous research conducted by Nigam and Kaushik (2011) who stated that brand equity is important tool to connecting a brand and give an influence to customers in making purchase decisions. Conclusions from the discussion in accordance with the relevance results of previous research conducted by Nigam and Kaushik (2011) who stated that right IMC in marketing strategy is a pivotal role in customer purchase decision criterion. This research result support the theory explained by Patzer (2003) who stated that an attractive endorser as one of an IMC indicator can make consumers have better preference and purchase decision intention, and a reliable endorser can influence brand image, brand equity and purchase decision intention. Advertising is the most common marketing strategies used by businesses. Thus, the result is also similar with the research result conducted by Chi, Chien, Huang (2008) who stated that the study also suggests that the reliability and attractiveness of advertising spokesperson bring the most influence power to consumer purchase decision intention. This research result contradicted with Paramosa (2012) research titled “Analysis of factors forming brand equity on purchase decision in Narita Hotel Surabaya”. In his research result, he stated that brand awareness does not influence purchase decision.

Direct Influence of Integrated Marketing Communication (IMC) on Purchase Decision

Regarding to the results of path analysis, the integrated marketing communication (IMC) has positive and significant direct influence on purchase decision variable at IM3 product. Several reasons that cause IMC influence purchase decision directly are because a decision to purchase a product can’t occur without experiences. Those experiences come from marketing communication built by the product company, for example advertising in media, marketing event, sms marketing, etc. For the time being, the consumers will input all those effect of integrated marketing communication in their mind and will consider purchase decision of that product.

CONCLUSIONS AND SUGGESTIONS

Conclusions

Based on research that has been conducted by the researcher can be concluded as follows:

1. The results showed that the variable integrated marketing communication (X.1) have influence on variable brand equity (Y1). It proved by total of path coefficient that equal to 0.766 with t probability of 0.000. It is significant because the t probability is lower than 0.05, which means that there is a significant influence.

2. The results also showed that there is an indirect influence of variable integrated marketing communication (X.1) on variable Purchase Decision (Y.2) through Brand equity (Y.1) with path coefficient that equal to 0.216.

3. The results showed that variable integrated marketing communication (X.1) have a direct influence on purchase decision (Y.2). It proved by a path coefficient that equal to 0.487 with t probability as much as 0.000.
It is significant because the t probability is lower than 0.05, which means that there is a significant influence.

**Suggestions**

Based on the conclusions, issues should be taken into account by Indosat and future research:

1. Given the fact that integrated marketing communication give a significant influence on brand equity and purchase decision, it is expected that the company can consider to always focus on conducting integrated marketing communication to increase the brand equity and consumer purchase decision. Result of the research shows that there are three items which has the lowest impact among others, those are social media, advertisement by billboard, and public contest participation. Thus, the company needs to pay more attention for those three items, make some improvement at those, and be more innovative as well. For example in social media. This is important because many young people, who are IM3 segmentation, in this era are using Instagram and interestingly, funny account, such as “dagelan” has million followers, as same as another funny Instagram account. Thus, IM3 social media will have more important role in impact brand equity and purchase decision. Moreover, it’s important to make IM3 billboard design “out of the box”, not only rectangular as usual and put it in strategic place. Thus, it will be discussed by people and advertisement billboard will have more important role in impact brand equity and purchase decision. Besides, IM3 should consider to create talent search competition, such as singing competition, because nowadays, people are always looking forward to it, that’s why nowadays in television, we can find many talent search competition in almost every TV channel. Thus, IM3 public contest participation will have more important role in impact brand equity and purchase decision.

2. Given the fact that the independent variable in this study is very important in influencing brand equity and purchase decision, it is expected that the results of this study can be used as a reference for further research to develop this research by consider other variables beyond the variables included in this research.

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