

Analysis of Automotive Product Selection in Indonesia: Factors of Brand Image Using Analytical Hierarchy Process

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Abstract

Indonesia, as the country with the largest economy in Southeast Asia, is one of the automotive production bases for export, especially to the Southeast Asia region and as the largest domestic market for automotive sales in the Southeast Asia region. Based on data from Gaikindo, ten automotive brands are included in the ranks of automotive brands with the most sales in 2019. Based on the results of interviews with 300 respondents, a percentage of 75.5% of respondents saw that ten automotive brands were included in the highest sales in Indonesia and the results of the pre-research questionnaire showed that the brand image of automotive products in Indonesia which consists of recognition, reputation, affinity, and domain has not

fulfilled good responses from respondents. The research was conducted to see and analyze the factors of automotive product brand image which are the criteria for automotive criteria in Indonesia. The method used in this research is quantitative method. The research sample was taken using multistage sampling, namely a combination of cluster sampling based on provinces in Indonesia and purposive random sampling. The population in this study was 845,825 new automotive buyers in 2019 with a sample size of 400 respondents. The analysis technique used is the Analytical Hierarchy Process (AHP). The results showed that there were three factors for the brand image of automotive products in the good category, namely Recognition (74.13%), Reputation (75.63%), and Domain (81%), and there was one brand image factor in the very category. good, namely Affinity (96%). For automotive selection based on brand image, it is ranked first and so on is occupied by Toyota, Honda, Mitsubishi, Nissan, Daihatsu, Suzuki, Isuzu, Hino, Datsun, Mazda.

Keywords: brand image, business administration, *analytical hierarchy process*

1. Introduction

Indonesia as the country with the largest economy in Southeast Asia is one of the automotive production bases for export, especially to the Southeast Asia region and as the largest domestic market for automotive sales in the Southeast Asia region. Indonesia dominates the automotive sales market among countries in the Southeast Asia region by up to 35%. (Gaikindo, 2019). Indonesia does not have original local automotive brands like Japan with its original automotive brands such as Toyota, Honda, and so on. Even the original local automotive brand, the pride of Malaysia, is Proton. However, the automotive industry in the country is the largest in Southeast Asia when assessed based on annual domestic sales data (Gaikindo, 2020).

Table 1:

Ten Best Selling Indonesian Automotive Brand in 2019

| BRAND | SALES (UNIT) |
|--------------|---------------------|
| Toyota | 331.797 |
| Daihatsu | 177.284 |
| Honda | 37.339 |
| Mitsubishi | 119.011 |
| Suzuki | 100.383 |
| Hino | 31.068 |
| Isuzu | 25.270 |
| Nissan | 12.302 |
| Datsun | 6.487 |
| Mazda | 4.884 |
| Total | 845.825 |

Source: Data of Automotive Sales, Gaikindo, January 2020

Kotler and Armstrong (2018) state that brand are more than just names and symbols. They are a key element in the company's relationship with consumers. It takes careful thought so that the brand image of a product can form a strong perception in the minds of consumers compared to other similar brand products (Surya and Raharja in Tiffany and Martini, 2017). Research conducted by Pratama (2019), Tiffany and Martini (2017), Foster (2016), Sallam (2016), Ezeuduji and Mhlongo (2019), Pradana & Wijaksana (2018), Sahney (2019), Durmaz, Özer, and Çavuşoğlu (2018), Sopiah and Sangadji (2016), Riley, Charlton, and Wason (2015) state that a strong brand image can be an attraction for consumers to buy a product. Companies must build a positive brand image for their products. The impact of a positive brand image is: 1) increasing business reputation, 2) increasing investment, 3) making it easier to get new

customers, 4) retaining old customers, 5) building employee pride and loyalty, 6) increasing consumer confidence in the company, 7) assisting companies in promoting, and 8) increasing product sales.

Aaker in Tiffany and Martini (2017) states that brand image factors include recognition, reputation, affinity, and domain. Recognition is the process, method, act of recognizing or recognizing a brand by consumers through logos, taglines, product designs. Reputation is an act and so on as a cause of getting a good name with regard to quality, product benefit value, and product information (Gilang et al., 2019). Products that are perceived to be of good quality will have a good reputation. Affinity is the thing, state, or thing that is interested which is the emotional connection between a brand and the consumer. A product with a brand that consumers like will be easier to sell. The affinity indicator consists of models, specifications, and prices. Domain in this case is product differentiation which involves how much coverage of a product with a particular brand. Domain indicators are product differences (Fakhri et al., 2019).

Based on the results of interviews with 300 automotive users in Indonesia, it was found that respondents who were interested in the image of the automotive brand were due to several things such as technological sophistication, low prices, automotive design, after-sales service, availability of adequate spare parts. There are still many problems related to various indicators of their image, such as poor service quality, unattractive automotive design models, minimal technological features, replacement of old spare parts, limited workshops, less driving comfort, etc.

The model in this research is visually presented as:

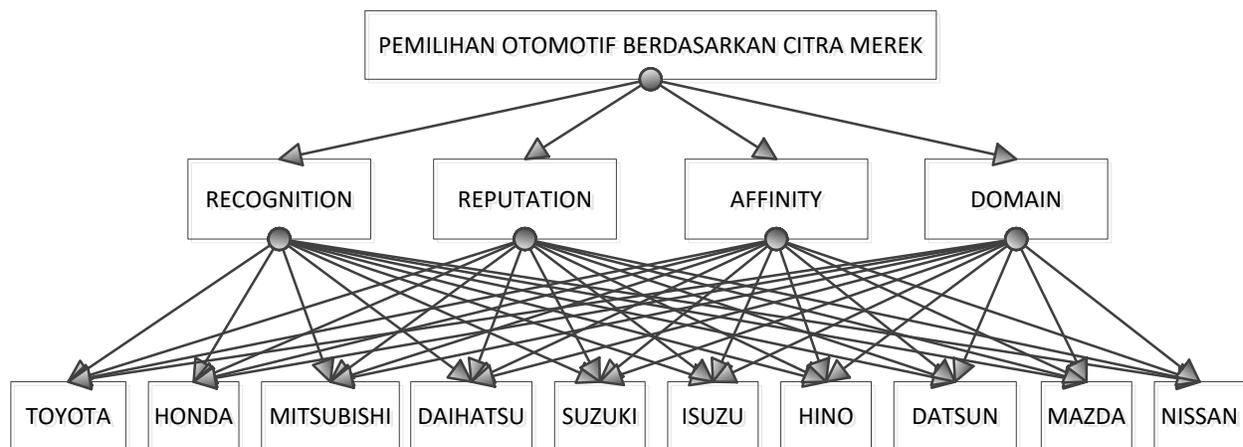


Figure 1. Research Model

2. Methodology

This research is a research with quantitative methods and descriptive research types (Sugiyono, 2018). Brand image factors studied include recognition (including indicators of name, logo, tagline, design), reputation (including indicators of product quality, service quality, product benefits, product information), affinity (including indicators of models, specifications, prices) and domains. (includes indicators of product differences) (Pradana & Novitasari, 2017).

Sources of research data are consumers who make new automotive purchases at ATPM dealers throughout Indonesia using a questionnaire distributed through dealers. The research sample was taken using multistage sampling, namely a combination of cluster sampling from 34 provinces in Indonesia and purposive random sampling. The total population in this study was 845,825 new automotive buyer consumers in 2019 with a total sample of 400 respondents using the Slovin formula (Sugiyono, 2018).

The author used the Kaiser-Meyer-Olkin (KMO) test and the Berlett Test of Sphericity with the help of SPSS version 25. Based on the validity and reliability test, it was found that the research questionnaire instrument was valid and reliable. The data analysis technique used descriptive analysis using SPSS version 25 and Analytical Hierarchy Process (AHP) using AHP Priority Calculator. According to Saaty (2012) in Alifatin (2016), Semih and Seyhan. (2011), AHP method is a method of decision making in solving complex problems consisting of several alternatives

which are then developed by including them in a hierarchical structure that has the highest priority. The reason for the researcher using the AHP method in this study is that the AHP method is considered effective for making decisions when there is an element of subjectivity in the problem. Consistency Ratio (CR) in the use of AHP is that the CR value is less than 10% which is stated to be consistent (Rimantho, Cahyadi, Dermawan, 2015).

3. Result and Discussion

The results of the descriptive study of the brand image of ten automotive product brands showed that the recognition factor obtained an assessment score of 78.75% which indicated a good category, reputation factor obtained an assessment score of 75.21% which indicated a good category, the affinity factor obtained an assessment score of 87% which indicates a very good category, and the domain factor obtains an assessment score of 53% which indicates a good category. The factor with the highest score is Affinity and the lowest is Recognition. However, of the overall brand image statement items that received the lowest respondent's response, namely the recognition sub variable regarding the brand image tagline of the ten automotive product brands that were easy to remember by the public, on the reputation factor regarding information about the product, the brand image of the ten automotive product brands was easy to obtain, on the factor Affinity regarding the brand image of the ten automotive product brands can attract the attention of the public, and in the domain factor regarding the brand image of the ten automotive product brands, it has differences.

The results of the Analytical Hierarchy Process data were processed using AHP Priority Calculator software, obtained a Consistency Ratio of 3.8%, where the value is less than 10 so that the Consistency Ratio (CR) can be stated as consistent, which implies that all indicators of brand image consisting of recognition, reputation, affinity, and the domain can be factors in brand image.

The results of calculations using the AHP Priority Calculator produce the following results.

Table 2: AHP Result of Ten Best Selling Indonesian Automotive Brand in 2019

| RANK | CRITERIA | PRIORITY BASED ON CRITERIA (BRAND IMAGE FACTOR) % | AUTOMOTIVE BRAND | PRIORITY CHOICE OF AUTOMOTIVE BRAND % |
|-------------|--------------------|--------------------------------------------------------------------------------------|-----------------------------|----------------------------------------------------------|
| 1 | <i>Recognition</i> | 51,57 | Toyota | 25,28 |
| 2 | <i>Affinity</i> | 35,78 | Daihatsu | 18,04 |
| 3 | <i>Reputation</i> | 11,25 | Honda | 14,76 |
| 4 | <i>Domain</i> | 1,40 | Mitsubishi | 11,33 |
| 5 | | | Suzuki | 8,21 |
| 6 | | | Hino | 7,13 |
| 7 | | | Isuzu | 5,18 |
| 8 | | | Nissan | 4,04 |
| 9 | | | Datsun | 3,22 |
| 10 | | | Mazda | 2,81 |

Source: Authors' own elaboration, 2020

Based on the results of AHP calculations, the order of dominance of automotive product brand image factors in Indonesia is as follows: Recognition (51.57%), Affinity (35.78%), Reputation (11.25%), and Domain (1.40%) . For automotive selection based on brand image, it is in the first rank and so on are occupied by Toyota (25.28%), Daihatsu

(18.04%), Honda (14.76%), Mitsubishi (1.33%), Suzuki (8, 21%), Hino (7.13), Isuzu (5.18), Nissan (4.04), Datsun (3.22), Mazda (2.81).

The results of these studies are consistent with the theory in Aaker in Tiffany and Martini (2017) and research conducted by Pratama (2019), Tiffany and Martini (2017), Foster (2016), Sallam (2016), Ezeuduji and Mhlongo (2019), Sahney (2019), Durmaz, Özer, and Çavuşoğlu (2018), Sopiah and Sangadji (2016), Riley, Charlton, and Wason (2015) that brand image factors are considered by consumers in selecting product brands.

The results of this study are limited to the research topic under study, the number of population and samples used, and the research methods used. The results of this study can provide input for the company in improving the brand image of its products and become a reference for consumers in choosing an automotive based on its brand image. This research can be developed with other research methods and other topics with reference to the results of this study as a reference (Pradana et al., 2020).

5 Conclusion

The conclusion of this research shows that there are three factors of brand image of automotive products that are in good category, namely Recognition, Reputation, and Domain, and there is one factor of brand image which is in very good category, namely Affinity. Respondents felt that the response was less than the recognition factor, namely the tagline of ten automotive product brands that was less easy for consumers to remember, while what was felt was lacking was the reputation factor, namely information about the product that was less easily obtained by consumers, while the affinity factor that was felt was lacking was that the brand image was less reliable. attract public attention, while the domain factor that is felt is lacking, namely the brand image of the ten brands of automotive products does not have a clear difference. For automotive selection based on brand image, it is ranked first and so on is occupied by Toyota, Honda, Mitsubishi, Nissan, Daihatsu, Suzuki, Isuzu, Hino, Datsun, Mazda.

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