

THE INFLUENCE OF BRAND IMAGE AND BRAND LOYALTY ON BRAND EQUITY ON IPHONE IN IBOX INDONESIA (CASE STUDY OF INSTAGRAM FOLLOWERS @IBOXINDONESIA)



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Abstract

Examining how iBox Indonesia customers' perceptions of the brand and their devotion to it affect the value of iPhone goods is the primary goal of this research. This study combined a quantitative approach with an associative research design for its methodology. One hundred individuals who were followers of @iboxindonesia on Instagram were polled to get the data. We used purposive sampling to get this sample. The suggested hypotheses were tested by data analysis utilizing the multiple linear regression approach. The results demonstrate that brand image and loyalty affect iPhone goods' brand equity. This is supported by an F-value of 18.287, which surpasses the F-table value of 3.089. Some evidence suggests that brand image significantly affects brand equity, while brand loyalty does not seem to have any such effect. Based on these findings, it is clear that attracting consumers requires a concerted effort to boost brand loyalty, even while a favorable brand image — including impressions of great quality and inventive design — contributes to enhancing brand equity. This research offers valuable insights that will help the marketing management of iBox Indonesia develop better strategies to boost the value of their iPhone goods. Also included are suggestions for future studies, such as looking at other variables that might influence customer loyalty to a business.

Keywords: Brand Image, Brand Loyalty, Brand Equity, iPhone, iBox Indonesia, Purposive Sampling, Multiple Linear Regression, Marketing Management

INTRODUCTION

Advances in technology, information and communication play a major role in the continuous acquisition of information in society. Public interest in the latest information is increasing. Every person in this world has a rich source of information. With the development of technology today, smartphones are penetrating people's lives and society is starting to change. This is supported by an internet network that is easily accessible from your smartphone. A smartphone is a handheld device that can run applications and communicate like a computer. Many changes have been made in development during this time and are always up to date. As time goes by, smartphone users today have increased significantly. It was 213 million in January 2023 when the total number of internet users in Indonesia was recorded by databoks.katadata.co.id. With a total population of 276.4 million at the start of 2023, this statistic constitutes 77% of Indonesia. A total of 5,44 thousand more people in Indonesia are now online than a year ago. By the beginning of 2022, 202 million people in Indonesia will be using the internet. The high level of public interest in smartphones on the market means that smartphone companies continue to launch smartphone products with the latest technological innovations to attract people's buying intentions in accordance with people's needs. Reported on gs.statcounter.com, it is known that in December 2021, Apple started with a market share percentage of 8.64% and in December 2023 it increased to 11.64%. This shows that Apple can compete with other competitors to sell products with the latest innovations even though it is not yet in first place to beat its competitors. A redenomination policy was instituted by the Bank of Indonesia in order to establish a payment system that was efficient, quick, secure, and dependable. The power to redenomination of the Rupiah lies with Bank Indonesia, which is responsible for overseeing and preserving Indonesia's payment system. According to Hardiyanto (2013), no outside force may alter this policy.

In Cupertino, California, on April 1, 1976, Apple Inc. was established. Steve Jobs, Wozniak, and Wayne were the co-founders of Apple. Among all smartphones, the iPhone is among the most beloved. Upon its 2007 debut, Apple's iPhone proved to be an instant hit. The iPhone has now gone on to become a global leader in smartphone sales. The iPhone has several advantages that make it popular among consumers.

In Indonesia, Apple has not opened branches in other countries, namely Thailand, Singapore, and others. However, in Indonesia there are resellers who sell Apple products such as iBox Indonesia. IBox Indonesia is a well-known premium Apple reseller in Indonesia which specifically sells Apple products and various kinds of complementary accessories, software, and other products. Looking at the target age of its consumers, IBox Indonesia offers more products for teenagers to adults because prices tend to be expensive (Prayitno, 2022).

“Brand image” is the mental picture that people have of a product or service. A brand's image encompasses several things, including the product's attributes, value, quality, the company's reputation, and the customer's overall impression of the brand. Consequently, customer devotion to a brand is critical to its continued success (Yudhistira & Saggaf Shihab, 2023). One way to stay in business and grow your market share is to capitalize on customers' tendency to buy from you again and again. Consumer actions that boost or lower a product's perceived value are rooted in brand loyalty.

A product's branding is crucial as it serves as a marketing tool for the corporation. A product's quality is determined by its brand, which is its identity. A company's brand might be considered valuable if it is able to establish credibility via creative marketing campaigns.

What makes a product or service more or less valuable to a business and its consumers is the sum of the assets and liabilities linked to the brand, its name, and any symbols used to represent it. A substantial competitive advantage is bestowed upon a corporation by virtue of its strong brand equity. Having a strong brand makes a firm more resilient in times of lengthy crises, less corporate backing, and changing customer tastes. This gives the company an edge in a competitive market. Consumers are more likely to buy a product with a high level of brand equity because they see it as more desirable.

REVIEW OF LITERATURE

Brand Image: A customer's impression of a brand develops over time as a result of their interactions with the brand in various contexts (Keller, 1993). Aaker (1991) states that there are many components that make up a brand's image, including product features, perceived advantages, and brand value. Positive public perception of a company may boost

its equity, according to research by Anggia Ayu Lestari (2022), who found that brand image significantly affects brand equity. This is consistent with the findings of Kotler and Keller (2016), who found that a strong brand image can generate consumer loyalty and increase a company's competitive position.

Brand Loyalty: Brand loyalty is the attachment of consumers to a brand. Loyal consumers will continue to purchase the brand's products even when other alternatives are available. According to Aaker (2015), brand loyalty is the relationship between a consumer and a brand. This understanding tells us whether a consumer is likely to switch to another competing brand, especially when there is a difference in price and other specifications. Satisfying product quality ensures that consumers remain loyal to the respective brand. However, it is important to note that the level of customer loyalty is not the same for all brands and products. High customer loyalty to a brand contributes significantly to the brand itself by increasing brand value. Research by Lestari (2022) shows that brand loyalty associated with a particular product does not necessarily contribute to brand equity.

Brand Equity: What makes a brand strong is its equity. Brand equity is defined as the value that a product or service gains from its reputation, say Kotler and Keller (2017: 263). The pricing, market share, and profitability that a brand delivers to a firm are all reflections of brand equity, which is also influenced by how people think, feel, and act toward the brand. Brand equity refers to the assets and liabilities connected with a brand, its name, and symbols that affect the value of a product or service for both companies and consumers, as stated by Tjiptono (Tjiptono, 2013).

Brand equity is built when marketers target the appropriate customers with the appropriate brand knowledge structure. All interactions with the brand, whether initiated by marketers or not, form the basis of this procedure. Because of the many advantages it provides, building brand equity is seen as a crucial aspect of brand management.

The success or failure of future marketing campaigns is heavily dependent on how consumers respond to current campaigns, how well they know the brand, and how their perceptions of the brand develop over time. Brand equity is crucial for organizations in these times of fierce competition. Brand management encompasses a wide range of strategic actions that every organization performs, including creating, developing, and extending the

brand (Aaker, 2012). The end purpose of all this work is to establish the company's name as a powerful tool in the marketplace, able to attract investors and generate revenue. Marketers place a premium on brand equity because it has the potential to influence customer choice.

RESEARCH METHOD

This research strategy involves gathering information from several sources in order to answer a reference question and get a better understanding of the subject. Since the researcher is interested in testing several study variables, a quantitative technique is used in this investigation. This leads to the development of an analysis based on the tested data collected in the field. This investigation is an example of a contingency quantitative study, which seeks to establish a connection between many variables. For this research, the data was gathered using a questionnaire survey method. One method of gathering information from people is the survey, which consists of a set of questions that people are asked to fill out and return. The goal of the survey employed for this research was to collect organized, easily-analyzed data. In this research, 100 respondents who had the time to fill out the survey between June 20th and 24th, 2024, were considered for further examination. This study employs a battery of tests to ensure its accuracy and reliability, including classical assumption, multiple linear regression, hypothesis, F (simultaneous), T (partial), and coefficient of determination analyses.

RESULTS AND DISCUSSION

Validity Test

An instrument can be said to be valid if the calculated r value $>$ r table and the significance is smaller than 0.05 ($\text{sig} < 0.05$). To obtain the value from r table, namely $df = n-2$. The df value = $100 - 2 = 98$, so the r table value is 0.197.

Table 1.
Validity Test Results

NO.	Variabel	Item	Nilai r item	R Tabel	Keterangan
1.	Citra Merek (X1)	X1.1	0.527	0,197	Valid
2.		X1.2	0.670	0,197	Valid
3.		X1.3	0.783	0,197	Valid
4.		X1.4	0.726	0,197	Valid
5.		X1.5	0.509	0,197	Valid
6.	Loyalitas Merek (X2)	X2.1	0.789	0,197	Valid
7.		X2.2	0.839	0,197	Valid
8.		X2.3	0.703	0,197	Valid
9.		X2.4	0.797	0,197	Valid
10.		X2.5	0.886	0,197	Valid
11.	Ekuitas Merek (Y)	Y.1	0.569	0,197	Valid
12.		Y.2	0.732	0,197	Valid
13.		Y.3	0.522	0,197	Valid
14.		Y.4	0.729	0,197	Valid
15.		Y.5	0.724	0,197	Valid

Source: 2024 processed original data

Based on the results of the validity test, this study has three variables answered by 100 respondents. The calculation results in the above table show that $r \text{ count} > r \text{ table}$, significance value < 0.5 . Therefore, all variables are declared valid in this study.

Reliability Test

Reliability is a measurement tool to measure variable indicators. A survey is considered reliable if people's responses to statements are stable or consistent over time (Imam Ghazali, 2019:47)

Table 2.
Reliability Test Results

No	Variabel	Koefisien Realibilitas	Keterangan
1	Citra Merek (X1)	0.643	Reliabel
2	Loyalitas Merek (X2)	0.863	Reliabel
3	Ekuitas Merek (Y)	0.671	Reliabel

Source: 2024 processed original data

The study factors are shown in the table above to be significant components of the durability test findings. When presented with credible evidence, brand equity ($r=0.671$), brand loyalty ($r=0.863$), and brand image ($r=0.643$) all demonstrate favorable dependability. The results of the reliability test indicate that this study is credible and suitable for inclusion in subsequent studies.

Classical Assumption Test

Test of Normality

A normality test is a statistical approach used to check whether observed data conform to a mean or a Gaussian distribution. Normal distribution is the most used data distribution in statistics, and many statistical methods assume that the data is normally distributed.

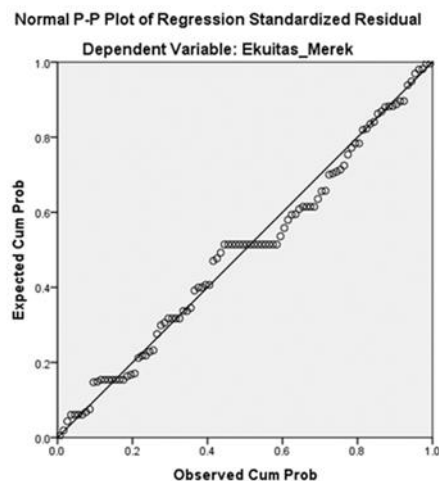


Figure 1.

Results of The Normality Test

Based on Figure 1, the curve diagram shows that the data is distributed around the Y diagonal, so it can be said to be normally distributed. From the picture above, the distribution of data along the Y diagonal shows that the data is normally distributed.

Test of Multicollinearity

When running a regression model, multicollinearity testing may reveal if two or more independent variables are highly correlated with one another. When testing for multicollinearity, the Variance Inflation Factor (VIF) and margin of error are used as metrics. The level to which certain independent variables cannot be explained by other independent variables is measured by the margin of error. Multicollinearity is not present in the model if the VIF is less than 10 and the margin of error is more than 0.10. (Gozali, (2019: 105)).

Table 3.
Multicollinearity Test Result

Variabel bebas	Collinearity Statistics	
	Tolerance	VIF
Citra Merek	0.703	1.422
Loyalitas Merek	0.703	1.422

Source: 2024 processed original data

Tabel 3 displays the outcomes of testing each independent variable:

- a. Brand image (X1) has a tolerance of 0.703.
- b. Brand loyalty (X2) has a tolerance of 0.703.

Since the total tolerance value produced by the tests was more than 0.1, we can say that the independent variables do not exhibit multicollinearity.

Test of Heteroscedasticity

The purpose of the heteroscedasticity test in this research is to determine whether the residual variance of the regression model is unequal between the two observations. Heteroscedasticity is shown when the dots follow a regular pattern, such as a wave, then a widening, and finally a narrowing. Heteroscedasticity, on the other hand, does not exist if the data points are not clustered in any particular way and instead lie all over the place on the y-axis.

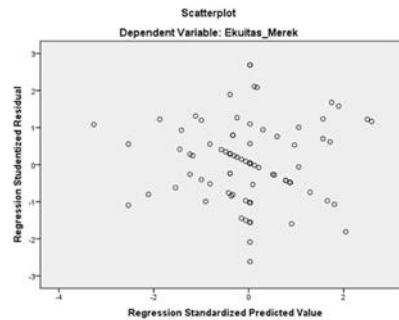


Figure 2.
Results of Heteroscedasticity

Source: 2024 processed original data

Figure 2's scatter plot analysis shows that the chart's points are spread randomly above and below the Y-axis value of 0. With the premise of homoscedasticity satisfied and the regression findings being credible, we may deduce that the figure's regression model is free of heteroscedasticity.

Autocorrelation Test

In order to find correlations between the observations (residues) in a regression model, autocorrelation testing is a crucial part of regression analysis. This test determines, in a nutshell, if mistakes made in one period have an effect on mistakes made in the subsequent time.

Table 4.
The Result of Autocorrelation Test

Model Summary^b

Model	R	R Square	Adjusted Square	Std. Error of the Estimate	Durbin-Watson
1	.523 ^a	.273	.258	1.895	1.796

a. Predictors: (Constant), Loyalitas_Merek, Citra_Merek

b. Dependent Variable: Ekuitas_Merek

Source: 2024 processed original data

Refers to table 4, the Durbin – Watson (dW) value of 1,796. In this study, according the dW table, dL = 1.6337 and Du = 1.7152. if $dU < dW < 4 - dU$, the researcher can conclude that there is no positive or negative autocorrelation. The result of the autocorrelation test is $1.7152 < 1.796 < 2.2848$. The result of this test proved that there was no positive or negative autocorrelation.

Multiple Linear Regression Analysis

Brand equity (Y) is the dependent variable, and the influence of brand image (X1) and perceived brand loyalty (X2) on it may be determined using this regression analysis. In order to verify their theories, the researchers utilized these findings. Detailed explanations of the regression analysis follow.

Table 5.
Results of Multiple Linear Regression Analysis

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.153	1.964		4.150	.000
	Citra Merek	.485	.115	.435	4.212	.000
	Loyalitas_Merek	.104	.078	.137	1.331	.186

a. Dependent Variable: Ekuitas Merek

Source: 2024 processed original data

Refers to table 5, the researcher obtains the following regression equation:

$$Y = 9.153 + 0.485 X1 + 0.104 X2.$$

From the above equation, the researcher obtains:

- a. The constant value $\alpha = 8.153$ indicates that when brand image (X1) and brand loyalty (X2) are equal to 0, brand equity (Y) is expected to be 8,153 units.
- b. $b_1 = 0.485$. This should lead to a 0.485-unit gain in brand equity (Y) and a 1-unit increase in brand image (X1). When b_1 is positive, it means that brand equity and brand image are positively correlated. Thus, brand equity is directly proportional to how positively consumers perceive a company's brand.
- c. $b_2 = 0.104$. This means that there will be a 0.104 unit increase in brand value (Y) for every one-unit increase in brand loyalty (X2). When consumers are loyal to a brand, it increases its equity. A greater level of consumer devotion to a brand is indicative of a more valuable brand.

Coefficient of Determination (R2)

Table 6.

Results of the Coefficient of Determination (R2) Test

Model Summary

Model	R	R Square	Adjusted Square	Std. Error of the Estimate
1	.523 ^a	.273	.258	1.895

a. Predictors: (Constant), Loyalitas Merek, Citra Merek

Source: 2024 processed original data

Finding the impact and contribution of an independent variable to the dependent variable is the goal of calculating the coefficient of determination. Table 4.15 shows that the adjusted R-value (coefficient of determination) is 0.258. This indicates that X1 and X2 together account for 25.8% of the Brand Equity variable. Other factors impact the remaining 74.2% of the variables related to quality perception that were not taken into account in this study. Additionally, the coefficient of determination may be derived using the correlation coefficient formula. Brand equity (Y) and the sum of brand image (X1) and brand loyalty (X2) are moderately correlated, according to the R value of 0.523. Thus, we may deduce that Y is related to X1, which is brand image, and X2, which is brand loyalty. It is considered to have good brand equity if it is more than 0.5.

F Test

The alternative hypothesis (Ha) does not have a significant combined effect. The overall significant implications of these criteria and rankings are:

- a. If calculated $F > F$ table or $\alpha < 0.05$ then H_0 is rejected.
- b. If F calculated $< F$ table or $\alpha > 0.05$ then H_0 is accepted.

Table 7.
Results of F Test

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	130.789	2	65.395	18.217	.000 ^b
	Residual	348.211	97	3.590		
	Total	479.000	99			

a. Dependent Variable: Ekuitas_Merek

b. Predictors: (Constant), Loyalitas_Merek, Citra_Merek

Source: 2024 processed original data

Refers to table 7, we can see that the results of F test are significant values of 0.5 and less than 0.000. The combination of independent variables (brand image and brand loyalty) has a significant impact on the dependent variable (brand equity). Using the criteria “If F number $> F$ table, H_0 is rejected and H_1 is accepted, F number $18.287 > F$ table 3.089 ”, the significance is 5% or 0.05, so we can draw a conclusion. It shows that the variables brand image and brand loyalty simultaneously have a significant impact on the dependent variable brand equity of the iPhone product.

CONCLUSION

Based on the survey and data processing, the independent variables, namely brand image (X1) and brand loyalty (X2), have a significant impact on brand equity simultaneously. This indicates that a positive brand image, such as the perception of high quality, an innovative design, and appropriate brand value, encourages consumers to remain loyal to the brand. Consumers with positive perceptions are more loyal and tend to continue choosing the same brand's products and services. Conversely, high brand loyalty strengthens the brand image. Loyal consumers tend to recommend the brand, which increases brand awareness and enhances its positive image. A positive brand image and high brand loyalty both contribute to increasing brand equity. Strong brand equity provides a number of benefits to a company, including the ability to charge higher prices, greater bargaining power, and resistance to competition. The impact of iPhone brand equity (Y) on iBox Indonesia (F-count $18,287 > F$ -table $3,089$).

So, it can be interpreted that brand image and brand loyalty together have a significant influence on brand equity. This shows that a positive brand image, such as perceptions of high quality, innovative design, and relevant brand values, will encourage consumers to be more loyal to the brand. Consumers with positive perceptions tend to be more loyal and continue to choose products and services from the same brand. Conversely, high brand loyalty strengthens the brand image. Loyal consumers tend to recommend a brand, thereby increasing brand awareness and positive image.

The results of the t test for brand image (X1) show that partially brand image (X1) has a significant effect on brand equity (Y). This is proven by the results of the t test with $= -1.984$ (-t count) $< 4.212 < 1.984$ (t count), partially brand image has a significant effect on brand equity in iPhone products in iBox Indonesia. This proves that brand image reflects how consumers perceive a brand. This image is formed from various factors, such as product quality, design, customer service, and marketing activities carried out by the company.

The results of the t-test for brand loyalty (X2) show that partially brand loyalty (X2) does not affect brand equity (Y). This is proven by $-t_{count} = -1.984 < 1.331 < -t_{table} = -1.984$, partially brand loyalty does not affect brand equity of iPhone products in iBox Indonesia. This is because brand loyalty alone is not sufficient to have a positive influence on brand equity. The results of this research are not in accordance with the theory presented by Aaker (2015) Brand loyalty is consumer attachment to a brand. Loyal consumers will continue to buy products from a brand even if other options are available.

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