

CHAPTER I

INTRODUCTION

A. Research Background

Building a strong brand is one of the important goals of product and brand management. Building a strong brand will require a good strategy and effort to be as expected later. Strong brands generate higher revenue streams for the company for the short and long term. In addition, a strong brand will form trust in the community. When public trust obtains, the company will develop rapidly. Therefore, strategic brand management aims to build a brand that lasts for decades and can utilize various product categories and markets. This very impactful for the company because maintaining a brand that has been build for a long time will make the brand always remembered by the public even if the company no longer exists.

Brand researchers have developed several brand conceptualizations and how brands affect consumer behavior, namely current and future purchases. First, a brand must have a good and strong strategy in introducing and marketing products by following the selling value of the brand that the manufacturer has determined. When the strategy is good and strong, the community will find it easier to remember and accept the brand. This useful for building brand image and trust in the eyes of consumers towards the products being market. The brand equity theory and the customer-based brand equity model have focused on how

consumers perceive and evaluate brands by investigating certain knowledge structures such as brand awareness, personality, and image.

A higher level of satisfaction with a product brand will give the customer a positive impact and pleasure, increasing the opportunity to repurchase the product. Rehman et al. (2014) explained that customer satisfaction with a brand that can satisfy customers in the best way is considered a strong competitive advantage. Satisfaction is a consumer's overall experience with a particular product or service, and repurchase intention is also considered a form of satisfaction. Brand Satisfaction defines as the result of subjective evaluation or personal evaluation of the brand alternatives chosen to meet or exceed consumer expectations.

Brand satisfaction is the level at which consumer perceptions of product performance match expectations. Conversely, consumers are not satisfied if the product performance is much lower than expectations (Ehsan et al., 2012). The conclusion is the satisfaction factor measure that the product can meet the needs and desires of the consumer. Brand satisfaction had a meaningful effect on the relationship between consumers toward the brand. Satisfied consumers gain an emotional connection with the brand over time (Assadollahi & Hanzae, 2011; Shimul & Phau, 2018).

Brand trust is a perception of reliability from a consumer's perspective, which based on experience or more on sequences of transactions or interactions characterized by the fulfillment of expectations for product performance and satisfaction (Mamahit et al., 2015). Trust in a brand is a brand's ability to be

trusted; consumers believe that the product can meet the value promised and prioritize consumers' interests (Delgado, 2004). Customer trust is an important factor that can determine the success of relationship marketing (Morgan and Hunt, 1994; Garbarino and Johnson, 1999).

The condition of a brand of products consumed by consumers can meet expectations and following customer perceptions, so customers feel that the products they consume are reliable. Moreover, it can foster satisfaction in consumers when enjoying it so that in the end, consumers trust to be able to use it again in the future. Moreover, when running continuously and repeatedly, this condition will lead to a loyal attitude towards consumers. Therefore, the satisfaction and trust of consumers in a brand make these consumers loyal to the brand.

Companies must build a strong brand in customers' minds through the right marketing strategy to attract new customers while retaining old customers. Customers learn one of the brands through experience with the product concerned. Through past experiences, customers can find which brand suits and satisfies their needs. When customers have found a brand that they think is satisfying, it will impact customer loyalty. Therefore, the company must create customer trust in the brand. If the customer already has high trust in the brand and has a high level of satisfaction with the product, the company can get loyal to the brand product concerned.

The value purchased by the customer is the brand, not the product. Therefore, every company must develop a brand to be perceived by customers as having high value. It can achieve if the brand is known, has a positive association, and has a good perception of quality. Therefore it is important to build a strong brand. However, competition in this era of globalization is about product excellence and product features, but the brand has also attached to consumers. The brand also serves to identify goods or services from a person or group of companies and distinguish them from similar products from other companies (Kotler, 2007). So if a company can make a strong brand influence on consumers, consumers can choose the products we sell. Consumers also consider the product through product quality because if the company can meet consumer needs, consumers will make purchases.

Brand relationship is how consumers think, feel, and have a product or company brand (Fournier, 1998; Veloutsou, 2007). Aaker (1996) too argued that when consumers interact with brands, they can develop an active relationship with those brands like people can with friends. Brand relationships can provide effective motivation through the pleasure that comes from affiliating with something the customer likes. Successful brand relationships reduce marketing costs by making it easier to sell to satisfied customers. One part that uses as an indicator is brand attachment. Consumers' positive experiences with certain brands drive consumers to be bound to a particular brand (Mkhize, 2010). Satisfaction is also a positive experience known as a post-purchase concept related to how many users like or dislike a service or product after consuming or

experiencing it (Chan, 2015). Additionally, as customers interact with brand enhancement, they develop emotional bonds through their experience, known as brand attachments (Yu et al., 2013). Several empirical studies also show that brand satisfaction and trust are proven to predict brand engagement (Esch et al., 2006; Luis and Lombart, 2010; Bouhlel et al., 2009).

The important variable to maintain and increase customer loyalty is brand attachment. Satisfaction has proven to affect brand attachment. While brand trust is proven to affect brand attachment, brand trust not supported customer loyalty. The brand attachment has also proved to affect brand loyalty. The very important role in the influence of brand satisfaction and trust on brand loyalty is brand attachment. Brand attachment is proven to partially mediate brand satisfaction on brand loyalty and fully mediate the effect of brand trust on brand loyalty.

Recently, researchers have argued that it is important to consider how consumers build brand relationships and form brand communities similar to how they build relationships and communities in their personal lives. The brand community in community life makes the relationship between brands and buyers more closely and more known to people. Brand practice, to some extent, has followed the same path. For a long time, building brand awareness and brand image have been the main goal of brand management. Brand marketers, especially in fast-moving consumer goods such as food items and mass-market sporting goods, fashion clothing, and electronic goods, spend considerable resources assessing, evaluating, and tracking consumer awareness of brands and images brand. More recently, sophisticated and forward-looking marketers and research

agencies have moved to the brand relationship domain that incorporates relationship-based ideas such as trust and bonding with brands into brand management and measurement.

Companies worldwide have a competitive competition to sell goods and services to compete to be the best ones. A strong brand with a good reputation will have a positive effect on buyers in the future. When the company applies the right strategy to the brand, it will retain the intention to buy or some customer decision to buy the brand in particular. Things form remembering something in making a purchase of the brand and anticipating to buy through brand aids. The research described that the customer's intention to buy a focused brand is with the same brand attitude and attitude, leading to other brands.

Every human being must try to meet all their needs so they can survive. One way is to purchase an item. General buying behavior is usually driven by assessing the benefits and prices that consumers find relevant to buy. However, increased economic growth and the needs of consumers with high purchasing power have made the current shopping pattern change. They reflect a more modern lifestyle that emphasizes aspects of pleasure, enjoyment, and entertainment when shopping.

Current purchases become very influential for the needs of a consumer at that time. Then human behavior will always change in every era. Follow what is happening around the environment or even comes from within itself. Circumstances and situations that cannot predict are some of the causes of

changes in a person's behavior in buying. Consumers will decide a purchase decision to make a purchase transaction. Consumers will compare or consider one good with another for their consumption (Keller, 1998).

Then future purchases occur when someone has a bond to a brand, and the brand has embedded in his mind, then it is likely that there will be purchases in the future. Purchasing decisions cannot separate from external influences such as the environment, friends, and others. Make the marketers think to continue innovating and implanting a lot of knowledge to create a strong and good brand image for an extended period.

Vans is the name of the brand from Anaheim, California. They are founded by Paul Van Doren on March 16, 1966, in Anaheim, California. This company produced skateboarding shoes and apparel. Nowadays, Vans headquartered in Costa Mesa, California, the United States, owned by VF Corporation. Since a long time ago, this company has sponsored many events, for example, surf, snowboarding, BMX, and motocross teams. Vans have several types of shoes for skateboarding, fashion, and daily use. One of the advantages of Vans shoes is having high durability because these shoes intend for skateboarders.

Vans company growing until now and following the times since 1966 is also doing necessary things to create a strong brand. For a shoe company that focuses on producing shoes for skateboarding, they have given knowledge to their customers and changed their mindset that Vans are the number one skateboarding

shoe. However, the brand's strength built over the years has made its customers not look away from Vans.

Vans has grown in competition with fellow shoe company brands while maintaining its identity as a skateboard shoe, making Vans continue to survive against the current times that continue to grow with innovation and increasingly sophisticated technology. Without leaving history and philosophy as skates that have always use from a long time ago, the role of professional skateboard legends in introducing Vans shoes to the next generation of young people made the Vans brand increasingly embedded in their minds. Maintain a classic design and material that is famously sturdy for fighting in the skate park.

Table 1. 1 The Tracing Data for Shoe Brands in Indonesia

No.	Brand	Average Percentages (2017-2020)
1.	Adidas	36,8%
2.	Nike	31,6%
3.	Vans	17,4%
4.	Converse	14,2%

Data analysis taken from Google Trends shows that the percentage of searches for the Vans brand in Indonesia for the last four years is quite good among three other brands, namely Adidas, Nike, and Converse. Thus, the data shows that the Vans brand is quite popular in Indonesia.

In the previous research, brand satisfaction defines as a psychological condition of whether the exchange relationship with the brand is beneficial or not.

On the other hand, brand trust is based on influence and refers to feelings resulting from a general relationship with the brand.

This study is replication according to Franz-Rudolf Esch, Tobias Langner, Bernd H. Schmitt, and Patrick Geus (2006). The difference of this study from previous studies is the exogenous variables used. In previous studies, brand knowledge was used as an exogenous variable, while this study did not. This study set Vans Shoe Company as the setting due to Vans is a global company. The study aims are to investigate the implementation of brand relationships on current and future purchases.

B. Research Problem

According to the explanation in the research background, this research forwards the research problem to the below:

1. Does brand satisfaction affect the brand attachment of Vans Shoe Company?
2. Does brand trust affect the brand attachment of Vans Shoe Company?
3. Does brand attachment affect the current purchase of Vans Shoe Company?
4. Does brand attachment affect the future purchase of Vans Shoe Company?
5. Does the current purchase affect the future purchase of Vans Shoe Company?

6. Does brand attachment mediate influence brand satisfaction on current purchases of Vans Shoe Company?
7. Does brand attachment mediate influence brand trust on future purchases of Vans Shoe Company?
8. Does current purchase mediate influence brand attachment on future purchases of Vans Shoe Company?

C. Research Objectives

According to the research problem above, the research objective of this study as follows:

1. Analyzed and explain the effect of brand satisfaction on the brand attachment of Vans Shoe Company.
2. Analyzed and explain the effect of brand trust on the brand attachment of Vans Shoe Company.
3. Analyzed and explain the effect of brand attachment on current purchases of Vans Shoe Company.
4. Analyzed and explain the effect of brand attachment on future purchases of Vans Shoe Company.
5. Analyzed and explain the effect of current purchases on future purchases of Vans Shoe Company.
6. Analyzed the effect of brand attachment mediates influence brand satisfaction on current purchases of Vans Shoe Company.
7. Analyzed the effect of brand attachment mediates influence brand trust on future purchases of Vans Shoe Company.

8. Analyzed the effect of current purchase mediates influence brand attachment on future purchases of Vans Shoe Company.

D. Research Benefit

According to the research problems and research objectives above, this study aims to:

1. Business Field
 - a. It could be used as a reference for the business field in strategic decision-making to increase company sales.
 - b. Can provide input for business owners on the right way to influence consumer purchasing decisions.
2. The Future Research
 - a. It can be a reference for further research that examines related variables: brand relationship and purchasing decisions.
 - b. Can provide benefits to theories about Brand relationship on purchasing decisions.