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THE EFFECT OF BRAND ASSOCIATIONS TOWARD BRAND EQUITY AND BRAND LOYALTY AS INTERVENING VARIABLE OF HONDA MOTORCYCLE IN JAMBI CITY Anaseputri Jamira*, Ade Oktavia**, Junaidi*** Abstract. The purpose of this study is to examine the relationship between brand associations, brand loyalty, and brand equity of Honda motorcycle in Jambi City. Previous researches have shown controversial result on how the relationship of brand associations on brand equity and the role of brand loyalty on it.

To analyze brand loyalty as mediating or intervening variable, SEM with SmartPLS software is used to confirm the relationship between variables. There are 100 respondents who are as Honda motorcycle user and decision maker of buying it in Jambi City, that participated in this research by fulfill questionnaires. The results show that brand associations and brand loyalty are important variables which each variable has a strong influence on brand equity, and brand loyalty acts as a mediating variable that strengthen the effect of brand associations to the brand equity.

The manager of Honda motorcycle is expected to more focus on resources and marketing activities to build and increase brand associations of Honda which is as basic of purchasing decision and brand loyalty of consumers. This study uses more specifics model of Aaker Brand Equity Model, so that in the future research the complex model can be used, and the researcher can develop with compare more than one category and brand of product or services.

Keywords: brand equity, brand associations, brand loyalty INTRODUCTION As consumers ♦ life becomes

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more complex, in a rush, and time-consuming, the ability of the brand to simplify decision-making and reduce the risk has been becoming something worthwhile. Brand identifies the source or product maker and allows consumers, individuals and organizations to claim responsibility for the performance of producers, manufacturers or particular distributors (Kotler and Keller, 2009). Brand also carries out the functions which is valuable to the company (Kotler and Keller, 2009).

Brand simplifies the handling or product search. Brand helps to organize inventory records and accounting. The brand also offers legal protection to companies for features or unique aspect of such products through the registered trade name. The determination of the brand comes into a useful tool for securing the company's competitive advantage. The brand represents the various characteristics such as identity, promotional tool, image fostering, and market controlling.

Eventually, the brand is an asset that is legally owned by one organization or company (Johannes et al., 2010). Intensified competition in an industry with the emergence of numerous similar products offered in the market generates the significant role of the brand. Brand plays an important role in marketing, brand stick on the customer's perception, and as a result, it is assumed as competition of brand perception for the customer (Hasan, 2008). The higher the value of a brand, the better the brand will have positive effect to the consumers and companies.

This is known as the concept of brand equity. Brand equity was a concept born in the 1980s (Barwise, 1993). The high level of brand equity is known to cause higher consumer preferences and purchase intentions (Cobb-Walgren et al., 1995) as well as higher stock return (Aaker and Jacobson, 1994). High brand equity brings expansion opportunities, the resistance to the pressure of competitor promotion, and creates barriers for competitors (Farquhar, 1989).

No wonder the brand becomes one of the most valuable assets owned by a company. This is what has aroused interest in the study of brand equity which is increasingly popular in the business strategies of the various industries. Brand equity became an important study material for academics throughout the 1990s by Aaker (1991), Srivastava and Shocker (1991), Kapferer (1992) and Keller (1993, 1998). However, there was no definition and content (Vazquez et al.,

2002; Keller, 2003), as well as the measurement of brand equity that was universally accepted (Washburn and Plank, 2002; Fayrene and Lee, 2011). There are four well-known models, namely Brand Asset Valuator (BAV) Model, Brandz Model, Brand Resonance Model, and Aaker Model (Kotler and Keller, 2009). Aaker Brand Equity Model and Dimension (1991) is the model most often used and developed its use. According to Aaker, there are five categories of assets which increase the brand equity, namely brand awareness, brand

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associations, perceived quality, brand loyalty, and other proprietary assets. Initially, the previous research centered on brand equity measurement using various techniques of financial (Farquhar et al.,

1991; Swait et al., 1993; Kapferer, 1997). In its development, brand equity was then defined in the context of customer-driven (Keller, 1993), known dimension; brand associations, brand loyalty, perceived quality, and brand awareness, which was later expanded, in which include the effects of brand preference and purchase intention (Cobb-Walgreen et al., 1995; Van and Alba, 2000), and the brand alliance (Rao and Ruekert, 1994).

While the dimension of other brand assets or the last dimension of Brand Equity measurement model by Aaker (1991) were excluded from the measurement model in marketing research, because they had no direct relationship with the customer (Gil et al., 2007; Sun and Ghiselli, 2010). Therefore the researcher focuses on the measurement model of brand equity with the development of Aaker model and other researchers which are observed from the context-based customers to find research gap of previous research, in which driven by an idea that is based on the statement of Aaker (1991) which stated that loyalty was the core dimension from the brand equity and the association was the basis for purchasing decision and brand loyalty.

If the measurement model of Aaker Brand Equity which is generally described and used in the marketing research, shows separated relationship between dimensions, what with Aaker statement. How is exactly the role of brand loyalty in the measurement of brand equity. Results of research Gil et al. (2007) showed that the dimension of brand loyalty was closer to the concept of brand equity as a whole compared with the dimension of brand awareness, brand associations and quality perception. This is reinforced by Kim et al. (2008) where he thought the brand associations effect on loyalty.

However, few studies had explored the relationship between brand associations and brand loyalty (Sun and Ghiselli, 2010). Even the result of research conducted by Sun and Ghiselli (2010) showed no direct relationship between brand associations and brand loyalty and brand equity, perceived quality has a role as mediating between them. Based on the research gap, the focus of researcher is a study to observe the role of brand loyalty as variable which mediates the brand associations relationship and brand equity with Honda Motorcycle case study in Jambi city.

Motorcycle as the research object, because from the various type of transportation, motorcycle is a popular means of transportation and the most often used nowadays. The existence of the motorcycle is extremely important in life. Days demanding high mobility make most individuals prefer to ride and own a motorcycle. High flexibility and affordability made transportation the most widely used by people, particularly in Indonesia (Fonda, 2005). Speaking of market share of motorcycle industry, according to the data from the Indonesian Motorcycle Industry Association (AIS), Motorcycle Brand of Honda has always led the market.

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According to the data from 2014, Honda led the national motorcycle market with market share of 63,92 %, followed by Yamaha with market share of 30,23 %, Suzuki with 3,48 %, Kawasaki with 2,09 %, and TVS with 0,28 % (Prasetyo, 2015). In Jambi, Honda led with market share of more than 60 % (Jambi Update, 2014; Putra, 2015; Rahadiansyah, 2015). Besides, since it is the product brand in a category/industry, familiar to sample/respondents, the major brands, and positioned in the top position (Dollatabady, 2011; Sun and Ghiselli, 2010; Gil et al., 2007), Honda Motorcycles may represent the concept of loyalty and brand equity.

LITERATURE REVIEW American Marketing Association (AMA) in Kotler and Keller (2009) defines brand as "name, term, sign, symbol, or design, or combination, intended to identify the goods or services of either seller or group of sellers and to differentiate them from the competitors. The purpose of the use of the brand, including (Hasan, 2008); as identity, promotional tool, fostering image, creating a competitive advantage (provide a defense against competition of competitive price, companies can easily launch a brand extension because the products have high credibility, able to survive at a higher price than competitors, the bargaining of producers and powerful distributors, lower marketing costs).

The Marketing Science Institute (Leuthesser, 1988) defines brand equity as a series of association and behavior by consumers, members of the channel, and the parent company of a brand that allowed the brand gained volume or greater margins, making it a strong, sustainable, and provide benefits which is different than other competitors. Aaker (1991) defines the brand equity as consumer values associated with a brand, as reflected in the dimension of brand awareness, brand associations, perceived quality, brand loyalty, and other proprietary assets. Brand equity is extremely important to discuss and learn due to several reasons.

They are; brand equity and identify the dimension of brand equity, is useful to examine the contribution of brand associations, brand awareness, perceived value, and brand loyalty toward the brand equity which aims to determine the equity of a brand in the market, what strategy to build a strong brand equity, brand success, which can distinguish (product/service) from its competitors (Aaker, 1991); a high level of brand equity led to higher consumer preferences and purchase intention (Cobb-Walgren et al.,

1995) as well as higher stock return (Aaker and Jacobson, 1994); high brand equity will bring expansion opportunities, the resistance to the pressure of competitor promotion, and create barriers for competitors (Farquhar, 1989); prevent a decline in market share during the price war and promotion (Kamakura and Russell, 1991; Johnson, 1991), and to give time to the company to respond to the threat of competition (Aaker, 1991); strong brand equity will help customers reduce the risk of quality evaluation in its involvement with purchasing decision (Murray, 1991; Templeton, 1991).

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Association is the basis for purchasing decision and brand loyalty (Aaker, 1991). Brand associations is the most accepted aspect of brand equity (Aaker and Biel, 1992). Brand associations related to thoughts, feelings, perception, image, experience, belief, attitude (Kotler and Keller, 2006) and related matters in the memory of a brand.

Other researchers (Farquhar and Herr, 1993; Chen, 1996; Brown and dacin, 1997; Biel, 1992) identify various types of association that contribute to brand equity. Chen (2001) categorizes two types of brand associations, the product and organization. Loyalty is a core dimension of brand equity. Aaker (1991) defines brand loyalty as "the attachment that a customer has to a brand", in other words, the consumer must be attached to a brand, not with other brands. Grembler and Brown (1996) described the various levels of loyalty.

Loyalty behavior associated with consumer behavior in the market which can be demonstrated by the number of repeat purchases (Keller, 1998) or a commitment to buy back the brand as the main option (Oliver, 1997, 1999). Cognitive loyalty means that the brand comes to consumer mind, when the need to make purchasing decision arise, then it becomes the first choice of consumers. Cognitive loyalty is closely connected with the highest level of consciousness (top-of-mind), if specific category is mentioned; the familiar brand will be firstly remembered. Thus, the brand should be the first choice of respondents (cognitive loyalty) and because it was purchased repeatedly (behavioral loyalty) (Keller, 1998).

/ Figure 1. Framework Model Source: Kim et al. (2008); Sun and Ghiselli (2010) Grover and Srinivasan (1992); Cobb-Walgren et al. (1995); Dollatabady (2011) Aaker and Keller (1990); Biel (1992); Dollatabady (2011) Sun and Ghiselli (2010) stated that all dimensions of brand equity (brand loyalty, perceived quality, brand awareness and brand associations) have a causal relationship and have a significant dependency which increase among dimensions. Therefore, it can be said that the dimension of brand loyalty positively affects brand associations dimension, and conversely brand loyalty dimension is also positively affected by the dimension of brand associations. Kim et al. (2008) found that the association has an effect on the brand loyalty.

Then it can be postulated as follows: H1: The higher the brand associations, the higher the brand loyalty is Aaker and Keller (1990) examined the effect of brand associations on brand equity where the result showed that the positive brand associations has a significant effect on the brand equity. The result of research supported by Biel (1992) showed that the association of the brand was able to improve the attributes of a product with perception and memory, which in turn can improve brand equity.

Dollatabady (2011), in his research proved that the four dimensions of brand equity (brand associations, brand awareness, brand loyalty, perceived quality) in the Aaker Model has effect on brand equity. Then it can be postulated as follows: H2: The higher the brand associations, the higher the brand equity is Brand loyalty is the basis of brand equity created by various factors, the main factor is the using experience.

Loyal customers show better response to a brand than consumers who do not or who show switching behavior (Grover and Srinivasan, 1992). Brand loyalty makes the consumers to purchase on a regular basis and anti moved on to other brands. This causes the brand become stronger so that it will enhance the value of brand equity. Research conducted by Dollatabady (2011), also strengthen the Aaker model, which showed the role of brand loyalty in affecting the value of brand equity.

Cobb-Walgren et al. (1995) described the relevant test result influence the effectiveness of advertising on brand loyalty in enhancing brand equity, which suggests that the effectiveness of advertising are able to contribute to brand loyalty and give positively significant effect, and brand loyalty affect brand equity and strong brand equity will cause consumers to put a brand in their preference.

Then it can be postulated as follows: H3: The higher the brand loyalty, the higher the brand equity is METHOD
This research was conducted in Jambi city by implementing the method of convenience sampling which is a non-probability sampling due to the difficulty of obtaining access to the sales data of motorcycles from Honda motorcycle dealers in Jambi city, totaling 28 dealers (PT. Astra Honda Motor (PT. AHM) 2015). The study involved 100 respondents who are purchasing decision makers and users of the product (Sun and Ghiselli, 2010; Dollatabady, 2011; Gil et al., 2007).

Respondents aged = 24 years, which has entered the age of productive work (assuming the maximum age has completed bachelor degree and have worked). It is based on the idea that, according to the Labor Law No. 13 year 2003, they were classified as labor/productive age, age between 15 years to 64 years. However, because students do not include in the labor force, where the average age of graduating bachelor degree is 22-23 years (Kurillahayu, 2015), and then assumed to work for 1-2 years.

The questionnaires was directly and evenly distributed across the sub-districts in Jambi city, with the data collection time range for approximately 3 weeks, as well as the locations such as garages, laundry motors, public parking in the Office, Mall, Restaurant, Supermarket, and also the hangout such as Aur Duri Bridge, Governor's Office square, as well as tourist attractions and parks such as Ancol, Tugu Juang which the Respondent may be encountered. Table 1. Operational Variable Variable Name Variable Concept Indicator
Brand Equity (EM) ♦ Brand equity as a series of brand assets and other assets associated with a brand, which can increase product value for customers.

According to Aaker there are five categories of assets that increase brand equity, namely brand awareness, brand associations, perceived quality, brand loyalty, and other proprietary assets. 1 Preference to choose the brand which is equal in quality or price. 2 Preference to choose the brand though the product features still similar. 3 Preference to choose the brand even as good as other brands. 4 Preference to choose the brand even if there is no difference with other brands.

Brand Loyalty (LM) ♦ Brand loyalty is a measurement of customer proximity and positive feeling toward a brand. 1 Loyalty to the brand. 2 Preference to repurchase the same brand. 3 Desire to recommend the brand. 4 The tendency to always suggest the same brand to other people. Brand Association (AM) Brand associations is everything related to the brand in a memory or a set of brand Which is associated (related) formed by the consumers or formed in their minds. 1 2 The brand characteristics come quickly to mind. The brand logo or symbol can be recalled quickly.

3 The brand has a strong personality. 4 The brand is different from other brands. Source: Aaker (1991), Gil et al. (2007) The variables and measurement referring to Gil et al. (2007), was translated and adapted. It is based on the premise that those measurements include the dimension which is most commonly accepted from brand equity (Aaker, 1991; Gil et al., 2007), and has been used in context and different countries (Sun and Ghiselli, 2010; Yoo and Donthu, 2001; Gil et al.,

2007), as well as some items are added or modified to obtain a better understanding (Aaker, 1996). All variables were measured using a five-point Likert scale (Gil et al., 2007; Sun and Ghiselli, 2010). As for the demographic data on the questionnaire consisted of open questions and closed questions. After the data is collected, it is followed by the coding. Then, in order to qualify the data processing, the data coding result of brand associations, brand loyalty and brand equity, transformed into interval data with ORDI program. ORDI is a program in the form of add-in Excel and is designed for the purpose of transforming data from ordinal scale to interval scale.

Ordi Version 1.0 is designed to operate in an environment of Microsoft Office Excel 2003 and 2007 (Chaniago, 2010). The technical analysis used Structural Equation Modeling (SEM) with SmartPLS software, which consists of two main stages of evaluation, the evaluation of the measurement model or outer model and structural model evaluation or inner model. Analysis of frequency distribution and descriptive statistic, cross tabulation, as well as the validity and reliability tests were conducted at the beginning.

RESULTS AND DISCUSSION The majority of consumers of Honda motorcycle are male (71 %), ranging from age 30 years and under (53 %), 54 % are married and 46 % unmarried, and mostly worked as private sector employees (50 %). Having an average monthly income of less than Rp 2,500,001 (64 %), preferring to use Matic type/mode motorcycle (46 %), and 21 % had Honda motorcycle more than one unit with different type, but still selecting Matic type/mode as a choice (81 % of 21 %).

Generally matic motorcycle is more desirable because it is lighter, easier to ride, comfortable, and has a larger space, while the underbone type becomes the second favorite, known for its economical value. Sport type motorcycle is still dominated by men, while women dominate the Matic motorcycle. The more increasingly age and income, the more the trend of Honda motorcycles declining, consumers tend to use four-wheeled

vehicles, or switch to other brands such as Kawasaki Ninja, Harley Davidson. Figure 2.

Effect Model of Brand Associations toward Brand Equity and Brand Loyalty as an Intervening Variable with Bootstrapping Table 2. Path Value and the Value of t-Statistics on Relationship among Variables in the Model

◆ Original Sample t-Statistics Ho Significance Brand Association -> Brand Equity 0,327305 2,788503
 Rejected There is significant effect and has positive value Brand Association -> Brand Loyalty 0,567721
 6,338395 Rejected There is significant effect and has positive value Brand Loyalty -> Brand Equity 0,564482
 4,639304 Rejected There is significant effect and has positive value Table 2. shows the significant effect of brand associations and the positive value of the brand equity where the value of t-Statistics 2,788503 > 1,96.

Brand Associations has significant effect and has positive value on Brand Loyalty in which t-Statistics 6,338395 > 1,96. Then Brand Loyalty has significant effect and positive value to the Brand Equity where the value t-Statistics of 4,639304 > 1,96. Therefore, Ho is rejected and the hypothesis proposed by the researcher in the study of the effect of Brand Associations toward Brand Equity and Brand Loyalty as an intervening variable is accepted.

Hypothesis testing using t value indicates that the Brand Associations has significant effect (significant) and a positive value to the Brand Equity which indicate that the higher the level of relationship or memory formed by the consumer or formed in their mind regarding everything related to the brand of Honda motorcycles, then the higher the value of the brand equity of Honda motorcycle. The effect of Brand Associations and its positive value toward Brand Loyalty indicate that the higher the brand associations level of Honda motorcycle customers, the higher the level of their loyalty.

Brand Loyalty significant effect (significant) and a positive value to the Brand Equity indicate that the higher the size of customer proximity and positive feelings toward the brand of Honda motorcycles, the more it will increase the value of a series of assets and other assets associated with the brand Honda motorcycles. Table 3. The Amount Percentage of Direct Impact, Indirect, and Total Effect of Brand Associations Variable and Brand Loyalty toward Brand Equity Variable Direct Rho Indirect Rho Total Effect on EM Total (%) Brand Association 0,327305 0,320468 0,647773 64,78% Brand Equity 0,564482 - 0,564482 56,45% Brand Associations and Brand Loyalty toward Brand Equity $\beta_1 = \beta_3 * \beta_1 + \beta_2 * \beta_2$ $\beta_1 = 0,327 * \beta_1 + 0,564 * \beta_2$
 Brand Associations toward Brand Loyalty $\beta_2 = \beta_1 * \beta_1$ $\beta_2 = 0,568 * \beta_1$ Information: β_1 = Brand Associations Variable β_2 = Brand Loyalty Variable β_1 = Brand Equity Variable β_2 = Brand Loyalty Variable β_1 = Brand Associations -> Brand Loyalty Coefficient β_2 = Brand Loyalty-> Brand Equity Coefficient β_3 = Brand Associations -> Brand Equity Coefficient Table 3.

shows that the Brand Associations affects directly and indirectly to the Brand Equity. Result of parameter coefficient test between Brand Associations toward Brand Equity shows there are direct effects of 32,73 %, while the indirect effect of Brand Associations toward Brand Equity through Brand Loyalty obtained by

multiplying path coefficients (Brand Associations ? Brand Loyalty) with a path coefficient (Brand Loyalty ? Brand Equity) and summed with the path coefficient (Brand Associations ? Brand Equity) to obtain the total value of 0,647773 or by 64,78 %.

It can be concluded that the Brand Equity Measurement Model of Honda Motorcycles shows no separated relationship among dimensions. Brand Associations and Brand Loyalty are the important variables in the measurement model of Brand Equity for Honda Motorcycles customers in Jambi city, where each variable has a strong effect on Brand Equity as indicated by the total value of 0,647773 and 0,564482, and Brand Loyalty acts as an intervening variable that strengthen the influence of Brand Associations toward Brand Equity.

The managerial Party of Honda Motorcycles is expected to focus resources and activities of marketing to improve relationship, memories, everything associated with the brand Honda Motorcycle in consumers thoughts; (Brand Associations) forming a positive attitude, and strong perception, as well as reasons to purchase. Therefore, it will increase the value of Brand Equity directly, or by increasing the Brand Loyalty beforehand, where the brand becomes the first choice of consumers (cognitive loyalty) and because it is purchased repeatedly (behavior loyalty), which ultimately will increase the value of Honda Motorcycle Brand Equity as a whole.

This helps the managerial party of Honda Motorcycles in determining priority of decision-making in planning related to the policy of increasing the value of Honda Motorcycle brand equity which in turn is expected to have an effect on the company progress and profits. In other words, the steps taken in the initial period focus on marketing activities to build, enhance Honda brand associations as a basis for purchasing decision and brand loyalty for consumers.

The Effort of managerial in building and improving Brand Associations from the stage to change the level of brand awareness from Unwareness of Brand to the stage Top of Mind on the product category of Motorcycles can be done either through the product itself, which is associated with functional attributes (products that are reliable, friendly environment, durable, economical) and non-functional attributes (social image, confidence, positioning, country of origin), or through an association of organization (Corporate Ability and Corporate Social Responsibility (CSR)) PT. AHM.

Brand Associations through the association product of Honda motorcycles can be reached with the managerial party which actively and continuously communicate the "fault-free" product, durability of the product, "competitive advantage" of product than its competitors, the quality of purchasing service and sale services, country of origin of the brand, the social image, positioning associated with the symbol/logo, tagline, and other attributes that indicate the identity of the product. In addition, it is expected that not careless and complacent, as mistakes that have been done where the sale of Honda Motorcycles was defeated by Yamaha Motorcycles and Yamaha Motorcycle managed to erode the market of underbone nationwide, with innovation

and good communication in educating the market on The new product line of motorcycle type Matic.

Be proactive and responsive to the market change by constantly innovating with offering the products and its attributes that can meet and satisfy the customers' want. It is an absolute must-have by Honda Motorcycle Company in order to lead and expand the market. Besides the product association, market demand which is more intelligent and responsive to the social issues and global, forcing Honda Motorcycles companies in this case PT.

AHM as an own brand associated with its product brand (when an organization appears as in goods or services) involved in improving the brand associations of Honda Motorcycles, which is known as associate organization through Corporate Ability and Corporate Social Responsibility (CSR), such as Micro Hydro Power Plant Activities, Tree Planting, Safety Riding Campaign and the Provision of Attributes, the Donation of Production Robot Machine to Untar and Honda Modif Contest (HMC). This study is more specific, involving only two dimensions of brand equity, brand associations and brand loyalty, in order to provide an accurate and better level of assessment.

In the future, more comprehensive research can be done by involving the overall dimensions of brand equity such as the dimension of brand awareness, perceived quality, and other proprietary assets, as well as the interactive relationship among them. The study only involved a brand of a product category. In the future it can be developed with the involvement of two or more brands on a single product category, and form a comparison. Or involve more than one category of product as well. Measurement on the dimension of brand equity directly used the indicator.

Research can be developed with a measurement model that involves the dimension construct of brand equity, and for the measurement of brand associations may involve indicator of organization association. There is a difference between building a service brand with the brand of a product "tangible". Research on brand equity in service industries is also relatively new and can be counted. Future research can be conducted on the product brand from service industries, such as hotels, restaurants, and can also be compared to product "tangible" for services.



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THE EFFECT OF BRAND ASSOCIATIONS TOWARD BRAND EQUITY AND BRAND LOYALTY AS INTERVENING VARIABLE OF HONDA MOTORCYCLE IN JAMBI CITY Anaseputri Jamira*, Ade Oktavia**, Junaidi*** Abstract. The purpose of this study is to examine the relationship between brand associations, brand loyalty, and brand equity of Honda motorcycle in Jambi City.

Previous researches have shown controversial result on how the relationship of brand associations on brand equity and the role of brand loyalty on it. To analyze brand loyalty as mediating or intervening variable, SEM with SmartPLS software is used to confirm the relationship between variables. There are 100 respondents who are as Honda motorcycle user and decision maker of buying it in Jambi City, that participated in this research by fulfill questionnaires.

The results show that brand associations and brand loyalty are important variables which each variable has a strong influence on brand equity, and brand loyalty acts as a mediating variable that strengthen the effect of brand associations to the brand equity. The manager of Honda motorcycle is expected to more focus on resources and marketing activities to build and increase brand associations of Honda which is as basic of purchasing decision and brand loyalty of consumers.

This study uses more specifics model of Aaker Brand Equity Model, so that in the future research the complex model can be used, and the researcher can develop with compare more than one category and brand of product or services. Keywords: brand equity, brand associations, brand loyalty

INTRODUCTION As consumers' life becomes more complex, in a rush, and time-consuming, the ability of the brand to simplify decision-making and reduce the risk has been becoming something worthwhile.

Brand identifies the source or product maker and allows consumers, individuals and organizations to claim responsibility for the performance of producers, manufacturers or particular distributors (Kotler and Keller, 2009). Brand also carries out the functions which is valuable to the company (Kotler and Keller, 2009). Brand simplifies the handling or product search. Brand **helps to organize inventory** records and accounting.

The brand also offers legal protection to companies for features or unique aspect of such products through the registered trade name. The determination of the brand comes into a useful tool for securing the company's competitive advantage. The brand represents the various characteristics such as identity, promotional tool, image fostering, and market controlling.

Eventually, the brand is an asset that is legally owned by one organization or company (Johannes et al., 2010). Intensified competition in an industry with the emergence of numerous similar products offered in the market generates the significant role of the brand. Brand **plays an important role** in marketing, brand stick on the customer's perception, and as a result, it is assumed as competition of brand perception for the customer (Hasan, 2008). The higher **the value of a** brand, the better the brand will have positive effect to the consumers and companies.

This is known as **the concept of brand equity**. Brand equity was a concept born in the 1980s (Barwise, 1993). The high level of brand equity is known to cause higher consumer preferences and purchase intentions (Cobb-Walgren et al., 1995) as well as higher stock return (Aaker and Jacobson, 1994).

High brand equity brings expansion opportunities, the resistance to the pressure of competitor promotion, and creates barriers for competitors (Farquhar, 1989). No wonder the brand becomes **one of the most valuable assets** owned by a company. This is what has aroused interest in the **study of brand equity** which is increasingly popular in the business strategies of the various industries.

Brand equity became an important study material for academics throughout the 1990s by Aaker (1991), Srivastava and Shocker (1991), Kapferer (1992) and Keller (1993, 1998). However, there was no definition and content (Vazquez et al., 2002; Keller, 2003), as well as the **measurement of brand equity** that was universally accepted (Washburn and Plank, 2002; Fayrene and Lee, 2011).

There are four well-known models, namely **Brand Asset Valuator (BAV)** Model, Brandz Model, Brand Resonance Model, and Aaker Model (Kotler and Keller, 2009). **Aaker Brand**

Equity Model and Dimension (1991) is the model most often used and developed its use. According to Aaker, there are five categories of assets which increase the brand equity, namely brand awareness, brand associations, perceived quality, brand loyalty, and other proprietary assets. Initially, the previous research centered on brand equity measurement using various techniques of financial (Farquhar et al.,

1991; Swait et al., 1993; Kapferer, 1997). In its development, brand equity was then defined in the context of customer-driven (Keller, 1993), known dimension; brand associations, brand loyalty, perceived quality, and brand awareness, which was later expanded, in which include the effects of brand preference and purchase intention (Cobb-Walgren et al.,

1995; Van and Alba, 2000), and the brand alliance (Rao and Ruekert, 1994). While the dimension of other brand assets or the last dimension of Brand Equity measurement model by Aaker (1991) were excluded from the measurement model in marketing research, because they had no direct relationship with the customer (Gil et al., 2007; Sun and Ghiselli, 2010).

Therefore the researcher focuses on the measurement model of brand equity with the development of Aaker model and other researchers which are observed from the context-based customers to find research gap of previous research, in which driven by an idea that is based on the statement of Aaker (1991) which stated that loyalty was the core dimension from the brand equity and the association was the basis for purchasing decision and brand loyalty.

If the measurement model of Aaker Brand Equity which is generally described and used in the marketing research, shows separated relationship between dimensions, what with Aaker statement. How is exactly the role of brand loyalty in the measurement of brand equity. Results of research Gil et al. (2007) showed that the dimension of brand loyalty was closer to the concept of brand equity as a whole compared with the dimension of brand awareness, brand associations and quality perception. This is reinforced by Kim et al. (2008) where he thought the brand associations effect on loyalty.

However, few studies had explored the relationship between brand associations and brand loyalty (Sun and Ghiselli, 2010). Even the result of research conducted by Sun and Ghiselli (2010) showed no direct relationship between brand associations and brand loyalty and brand equity, perceived quality has a role as mediating between them.

Based on the research gap, the focus of researcher is a study to observe the role of brand loyalty as variable which mediates the brand associations relationship and brand

equity with Honda Motorcycle case study in Jambi city. Motorcycle as the research object, because from the various type of transportation, motorcycle is a popular means of transportation and the most often used nowadays.

The existence of the motorcycle is extremely important in life. Days demanding high mobility make most individuals prefer to ride and own a motorcycle. High flexibility and affordability made transportation the most widely used by people, particularly in Indonesia (Fonda, 2005). Speaking of market share of motorcycle industry, according to the data from the Indonesian Motorcycle Industry Association (AISI), Motorcycle Brand of Honda has always led the market.

According to the data from 2014, Honda led the national motorcycle market with market share of 63,92 %, followed by Yamaha with market share of 30,23 %, Suzuki with 3,48 %, Kawasaki with 2,09 %, and TVS with 0,28 % (Prasetyo, 2015). In Jambi, Honda led with market share of more than 60 % (Jambi Update, 2014; Putra, 2015; Rahadiansyah, 2015).

Besides, since it is the product brand in a category/industry, familiar to sample/respondents, the major brands, and positioned in the top position (Dollatabady, 2011; Sun and Ghiselli, 2010; Gil et al., 2007), Honda Motorcycles may represent the concept of loyalty and brand equity. LITERATURE REVIEW American Marketing Association (AMA) in Kotler and Keller (2009) defines brand as "name, term, sign, symbol, or design, or combination, intended to identify the goods or services of either seller or group of sellers and to differentiate them from the competitors.

The purpose of the use of the brand, including (Hasan, 2008); as identity, promotional tool, fostering image, creating a competitive advantage (provide a defense against competition of competitive price, companies can easily launch a brand extension because the products have high credibility, able to survive at a higher price than competitors, the bargaining of producers and powerful distributors, lower marketing costs).

The Marketing Science Institute (Leuthesser, 1988) defines brand equity as a series of association and behavior by consumers, members of the channel, and the parent company of a brand that allowed the brand gained volume or greater margins, making it a strong, sustainable, and provide benefits which is different than other competitors. Aaker (1991) defines the brand equity as consumer values associated with a brand, as reflected in the dimension of brand awareness, brand associations, perceived quality, brand loyalty, and other proprietary assets. Brand equity is extremely important to discuss and learn due to several reasons.

They are; brand equity and identify the dimension of brand equity, is useful to examine the contribution of brand associations, brand awareness, perceived value, and brand loyalty toward the brand equity which aims to determine the equity of a brand in the market, what strategy to build a strong brand equity, brand success, which can distinguish (product/service) from its competitors (Aaker, 1991); a high level of brand equity led to higher consumer preferences and purchase intention (Cobb-Walgren et al., 1995) as well as higher stock return (Aaker and Jacobson, 1994); high brand equity will bring expansion opportunities, the resistance to the pressure of competitor promotion, and create barriers for competitors (Farquhar, 1989); prevent a decline in market share during the price war and promotion (Kamakura and Russell, 1991; Johnson, 1991), and to give time to the company to respond to the threat of competition (Aaker, 1991); strong brand equity will help customers reduce the risk of quality evaluation in its involvement with purchasing decision (Murray, 1991; Templeton, 1991).

Association is the basis for purchasing decision and brand loyalty (Aaker, 1991). Brand associations is the most accepted aspect of brand equity (Aaker and Biel, 1992). Brand associations related to thoughts, feelings, perception, image, experience, belief, attitude (Kotler and Keller, 2006) and related matters in the memory of a brand.

Other researchers (Farquhar and Herr, 1993; Chen, 1996; Brown and dacin, 1997; Biel, 1992) identify various types of association that contribute to brand equity. Chen (2001) categorizes two types of brand associations, the product and organization. Loyalty is a core dimension of brand equity. Aaker (1991) defines brand loyalty as "the attachment that a customer has to a brand", in other words, the consumer must be attached to a brand, not with other brands.

Grembler and Brown (1996) described the various levels of loyalty. Loyalty behavior associated with consumer behavior in the market which can be demonstrated by the number of repeat purchases (Keller, 1998) or a commitment to buy back the brand as the main option (Oliver, 1997, 1999).

Cognitive loyalty means that the brand comes to consumer mind, when the need to make purchasing decision arise, then it becomes the first choice of consumers. Cognitive loyalty is closely connected with the highest level of consciousness (top-of-mind), if specific category is mentioned; the familiar brand will be firstly remembered. Thus, the brand should be the first choice of respondents (cognitive loyalty) and because it was purchased repeatedly (behavioral loyalty) (Keller, 1998).

/ Figure 1. Framework Model Source: Kim et al. (2008); Sun and Ghiselli (2010) Grover and Srinivasan (1992); Cobb-Walgren et al. (1995); Dollatabady (2011) Aaker and Keller (1990); Biel (1992); Dollatabady (2011) Sun and Ghiselli (2010) stated that all dimensions of brand equity (brand loyalty, perceived quality, brand awareness and brand associations) have a causal relationship and have a significant dependency which increase among dimensions.

Therefore, it can be said that the dimension of brand loyalty positively affects brand associations dimension, and conversely brand loyalty dimension is also positively affected by the dimension of brand associations. Kim et al. (2008) found that the association has an effect on the brand loyalty. Then it can be postulated as follows: H1: The higher the brand associations, the higher the brand loyalty is Aaker and Keller (1990) examined the effect of brand associations on brand equity where the result showed that the positive brand associations has a significant effect on the brand equity.

The result of research supported by Biel (1992) showed that the association of the brand was able to improve the attributes of a product with perception and memory, which in turn can improve brand equity. Dollatabady (2011), in his research proved that the four dimensions of brand equity (brand associations, brand awareness, brand loyalty, perceived quality) in the Aaker Model has effect on brand equity.

Then it can be postulated as follows: H2: The higher the brand associations, the higher the brand equity is Brand loyalty is the basis of brand equity created by various factors, the main factor is the using experience. Loyal customers show better response to a brand than consumers who do not or who show switching behavior (Grover and Srinivasan, 1992).

Brand loyalty makes the consumers to purchase on a regular basis and anti moved on to other brands. This causes the brand become stronger so that it will enhance the value of brand equity. Research conducted by Dollatabady (2011), also strengthen the Aaker model, which showed the role of brand loyalty in affecting the value of brand equity.

Cobb-Walgren et al. (1995) described the relevant test result influence the effectiveness of advertising on brand loyalty in enhancing brand equity, which suggests that the effectiveness of advertising are able to contribute to brand loyalty and give positively significant effect, and brand loyalty affect brand equity and strong brand equity will cause consumers to put a brand in their preference.

Then it can be postulated as follows: H3: The higher the brand loyalty, the higher the brand equity is METHOD This research was conducted in Jambi city by implementing the

method of convenience sampling which is a non-probability sampling due to the difficulty of obtaining access to the sales data of motorcycles from Honda motorcycle dealers in Jambi city, totaling 28 dealers (PT. Astra Honda Motor (PT. AHM) 2015).

The study involved 100 respondents who are purchasing decision makers and users of the product (Sun and Ghiselli, 2010; Dollatabady, 2011; Gil et al., 2007). Respondents aged = 24 years, which has entered the age of productive work (assuming the maximum age has completed bachelor degree and have worked). It is based on the idea that, according to the Labor Law No. 13 year 2003, they were classified as labor/productive age, age between 15 years to 64 years.

However, because students do not include in the labor force, where the average age of graduating bachelor degree is 22-23 years (Kurillahayu, 2015), and then assumed to work for 1-2 years. The questionnaires was directly and evenly distributed across the sub-districts in Jambi city, with the data collection time range for approximately 3 weeks, as well as the locations such as garages, laundry motors, public parking in the Office, Mall, Restaurant, Supermarket, and also the hangout such as Aur Duri Bridge, Governor's Office square, as well as tourist attractions and parks such as Ancol, Tugu Juang which the Respondent may be encountered. Table 1.

Operational Variable Variable Name _Variable Concept _Indicator _Brand Equity (EM) _Brand equity as a series of brand assets and other assets associated with a brand, which can increase product value for customers. According to Aaker there are five categories of assets that increase brand equity, namely brand awareness, brand associations, perceived quality, brand loyalty, and other proprietary assets. _1 _Preference to choose the brand which is equal in quality or price.

___2 _Preference to choose the brand though the product features still similar. ___3

_Preference to choose the brand even as good as other brands. ___4 _Preference to choose the brand even if there is no difference with other brands. _Brand Loyalty (LM) _Brand loyalty is a measurement of customer proximity and positive feeling toward a brand. _1 _Loyalty to the brand.

___2 _Preference to repurchase the same brand. ___3 _Desire to recommend the brand. ___4 _The tendency to always suggest the same brand to other people. _Brand Association (AM) _Brand associations is everything related to the brand in a memory or a set of brand Which is associated (related) formed by the consumers or formed in their minds. _1 2 _The brand characteristics come quickly to mind. The brand logo or symbol can be recalled quickly.

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___3_ The brand has a strong personality. ___4_ The brand is different from other brands. _ Source: Aaker (1991), Gil et al. (2007) The variables and measurement referring to Gil et al. (2007), was translated and adapted. It is based on the premise that those measurements include the dimension which is most commonly accepted from brand equity (Aaker, 1991; Gil et al.,

2007), and has been used in context and different countries (Sun and Ghiselli, 2010; Yoo and Donthu, 2001; Gil et al., 2007), as well as some items are added or modified to obtain a better understanding (Aaker, 1996). All variables were measured using a five-point Likert scale (Gil et al., 2007; Sun and Ghiselli, 2010).

As for the demographic data on the questionnaire consisted of open questions and closed questions. After the data is collected, it is followed by the coding. Then, in order to qualify the data processing, the data coding result of brand associations, brand loyalty and brand equity, transformed into interval data with ORDI program. ORDI is a program in the form of add-in Excel and is designed for the purpose of transforming data from ordinal scale to interval scale.

Ordi Version 1.0 is designed to operate in an environment of Microsoft Office Excel 2003 and 2007 (Chaniago, 2010). The technical analysis used Structural Equation Modeling (SEM) with SmartPLS software, which consists of two main stages of evaluation, the evaluation of the measurement model or outer model and structural model evaluation or inner model.

Analysis of frequency distribution and descriptive statistic, cross tabulation, as well as the validity and reliability tests were conducted at the beginning. RESULTS AND DISCUSSION The majority of consumers of Honda motorcycle are male (71 %), ranging from age 30 years and under (53 %), 54 % are married and 46 % unmarried, and mostly worked as private sector employees (50 %).

Having an average monthly income of less than Rp 2,500,001 (64 %), preferring to use Matic type/mode motorcycle (46 %), and 21 % had Honda motorcycle more than one unit with different type, but still selecting Matic type/mode as a choice (81 % of 21 %). Generally matic motorcycle is more desirable because it is lighter, easier to ride, comfortable, and has a larger space, while the underbone type becomes the second favorite, known for its economical value. Sport type motorcycle is still dominated by men, while women dominate the Matic motorcycle.

The more increasingly age and income, the more the trend of Honda motorcycles declining, consumers tend to use four-wheeled vehicles, or switch to other brands such

as Kawasaki Ninja, Harley Davidson. Figure 2. Effect Model of Brand Associations toward Brand Equity and Brand Loyalty as an Intervening Variable with Bootstrapping Table 2.

Path Value and the Value of t-Statistics on Relationship among Variables in the Model

Original Sample	t-Statistics	Ho	Significance
Brand Association -> Brand Equity	0,327305	2,788503	Rejected
Brand Association -> Brand Loyalty	0,567721	6,338395	Rejected
Brand Loyalty -> Brand Equity	0,564482	4,639304	Rejected

Table 2. shows the significant effect of brand associations and the positive value of the brand equity where the value of t-Statistics 2,788503 > 1,96.

Brand Associations has significant effect and has positive value on Brand Loyalty in which t-Statistics 6,338395 > 1,96. Then Brand Loyalty has significant effect and positive value to the Brand Equity where the value t-Statistics of 4,639304 > 1,96. Therefore, Ho is rejected and the hypothesis proposed by the researcher in the study of the effect of Brand Associations toward Brand Equity and Brand Loyalty as an intervening variable is accepted.

Hypothesis testing using t value indicates that the Brand Associations has significant effect (significant) and a positive value to the Brand Equity which indicate that the higher the level of relationship or memory formed by the consumer or formed in their mind regarding everything related to the brand of Honda motorcycles, then the higher the value of the brand equity of Honda motorcycle.

The effect of Brand Associations and its positive value toward Brand Loyalty indicate that the higher the brand associations level of Honda motorcycle customers, the higher the level of their loyalty. Brand Loyalty significant effect (significant) and a positive value to the Brand Equity indicate that the higher the size of customer proximity and positive feelings toward the brand of Honda motorcycles, the more it will increase the value of a series of assets and other assets associated with the brand Honda motorcycles.

Table 3. The Amount Percentage of Direct Impact, Indirect, and Total Effect of Brand Associations Variable and Brand Loyalty toward Brand Equity Variable

Variable	Direct Rho	Indirect Rho	Total Effect on EM	Total (%)
Brand Association	0,327305	0,320468	0,647773	64,78%
Brand Equity	0,564482	0,564482	0,564482	56,45%

Brand Associations and Brand Loyalty toward Brand Equity $\beta_1 = \beta_3 * \beta_1 + \beta_2 * \beta_2$ $\beta_1 = 0,327 * \beta_1 + 0,564 * \beta_2$ Brand Associations toward Brand Loyalty $\beta_2 = \beta_1 * \beta_1$ $\beta_2 = 0,568 * \beta_1$

Information: β_1 = Brand Associations Variable β_2 = Brand Loyalty Variable β_1 = Brand Equity Variable β_2 = Brand Loyalty Variable β_1 = Brand Associations -> Brand Loyalty

Coefficient β_2 = Brand Loyalty \rightarrow Brand Equity Coefficient β_3 = Brand Associations \rightarrow Brand Equity Coefficient Table 3.

shows that the Brand Associations affects directly and indirectly to the Brand Equity. Result of parameter coefficient test between Brand Associations toward Brand Equity shows there are direct effects of 32,73 %, while the indirect effect of Brand Associations toward Brand Equity through Brand Loyalty obtained by multiplying path coefficients (Brand Associations β Brand Loyalty) with a path coefficient (Brand Loyalty β Brand Equity) and summed with the path coefficient (Brand Associations β Brand Equity) to obtain the total value of 0,647773 or by 64,78 %.

It can be concluded that the Brand Equity Measurement Model of Honda Motorcycles shows no separated relationship among dimensions. Brand Associations and Brand Loyalty are the important variables in the measurement model of Brand Equity for Honda Motorcycles customers in Jambi city, where each variable has a strong effect on Brand Equity as indicated by the total value of 0,647773 and 0,564482, and Brand Loyalty acts as an intervening variable that strengthen the influence of Brand Associations toward Brand Equity.

The managerial Party of Honda Motorcycles is expected to focus resources and activities of marketing to improve relationship, memories, everything associated with the brand Honda Motorcycle in consumers thoughts; (Brand Associations) forming a positive attitude, and strong perception, as well as reasons to purchase. Therefore, it will increase the value of Brand Equity directly, or by increasing the Brand Loyalty beforehand, where the brand becomes the first choice of consumers (cognitive loyalty) and because it is purchased repeatedly (behavior loyalty), which ultimately will increase the value of Honda Motorcycle Brand Equity as a whole.

This helps the managerial party of Honda Motorcycles in determining priority of decision-making in planning related to the policy of increasing the value of Honda Motorcycle brand equity which in turn is expected to have an effect on the company progress and profits. In other words, the steps taken in the initial period focus on marketing activities to build, enhance Honda brand associations as a basis for purchasing decision and brand loyalty for consumers.

The Effort of managerial in building and improving Brand Associations from the stage to change the level of brand awareness from Unawareness of Brand to the stage Top of Mind on the product category of Motorcycles can be done either through the product itself, which is associated with functional attributes (products that are reliable, friendly environment, durable, economical) and non-functional attributes (social image,

confidence, positioning, country of origin), or through an association of organization (Corporate Ability and Corporate Social Responsibility (CSR)) PT. AHM.

Brand Associations through the association product of Honda motorcycles can be reached with the managerial party which actively and continuously communicate the "fault-free" product, durability of the product, "competitive advantage" of product than its competitors, the quality of purchasing service and sale services, country of origin of the brand, the social image, positioning associated with the symbol/logo, tagline, and other attributes that indicate the identity of the product.

In addition, it is expected that not careless and complacent, as mistakes that have been done where the sale of Honda Motorcycles was defeated by Yamaha Motorcycles and Yamaha Motorcycle managed to erode the market of underbone nationwide, with innovation and good communication in educating the market on The new product line of motorcycle type Matic.

Be proactive and responsive to the market change by constantly innovating with offering the products and its attributes that can meet and satisfy the customers' want. It is an absolute must-have by Honda Motorcycle Company in order to lead and expand the market. Besides the product association, market demand which is more intelligent and responsive to the social issues and global, forcing Honda Motorcycles companies in this case PT.

AHM as an own brand associated with its product brand (when an organization appears as in goods or services) involved in improving the brand associations of Honda Motorcycles, which is known as associate organization through Corporate Ability and Corporate Social Responsibility (CSR), such as Micro Hydro Power Plant Activities, Tree Planting, Safety Riding Campaign and the Provision of Attributes, the Donation of Production Robot Machine to Untar and Honda Modif Contest (HMC).

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