

# Brand Image Analysis towards *Balai Pustaka* Product Buying Decision

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**Abstract:-** PT Balai Pustaka (Persero) was founded on September 22 1917, continuing the *Commissie voor de Inlandsche School en Volkslectuur* (People's Reading Commission) that was founded earlier on September 14 1908. In their first year, Balai Pustaka had published 31 books in Malay language, 101 in Java with Latin and Arabic letters, 67 in Sundanese, 22 in Madurese, 4 in Batakese, 1 in Acehese, 1 in Bugis, and 1 in Makassarese. The themes began from health, agriculture, technical, art, and skills. This research aims to test and analyze brand image influence towards Balai Pustaka product buying decision. Author uses quantitative method and survey as the research design. Research data uses google questionnaire (Google Docs) to 170 respondents, with non-probability sampling technique. Analysis method of this research is Structural Equation Modelling (SEM). The result shows that brand image variable positively affects buying decision. Suggestion for next research is developing questionnaire to deepen and extend the identification of every dimension so that issue solving can be right on target, to examine other variable or factor that affects buying decision.

**Keywords:-** Brand Image, Buying Decision.

## I. INTRODUCTION

Competition in Indonesian book publishing business recently got tighter. Many publishers appeared with innovation and fresher themes. The publishing existence in Indonesia annually can print 30,000 book titles. The data from Indonesian Publishing Association (IKAPI) bases on ISBN proposal. In other words, the challenge that every book publisher must face is every other book publishers. Many worries this will reduce the competition among publishers, mainly in book distribution. Also, the current technology development becomes more advanced and many old publications are available digital platform now.

Technology development demands business entities including book publisher to innovate and market their products through various media and activities to strife amidst attack from other competitors to maintain their position amongst the people. Indonesian government also had decided policy that affects the continuity of an entity, that forces business organization such as state-owned enterprises to keep innovating through go digital and go global strategies. This also applies to state-owned publishing company PT Balai Pustaka (Persero). From many and diverse publishers available now, PT Balai

Pustaka (Persero) is the first and oldest publisher in Indonesia that becomes a state-owned company [1]. PT Balai Pustaka (Persero) was founded on September 22 1917, continuing the *Commissie voor de Inlandsche School en Volkslectuur* (People's Reading Commission) that was founded earlier on September 14 1908. In their first year, Balai Pustaka had published 31 books in Malay language, 101 in Java with Latin and Arabic letters, 67 in Sundanese, 22 in Madurese, 4 in Batakese, 1 in Acehese, 1 in Bugis, and 1 in Makassarese. The themes began from health, agriculture, technical, art, and skills. Before Indonesian independence, Balai Pustaka had built around 2,800 *Taman Bacaan Rakyat* (Public Reading Park), and Balai Pustaka then became the national pillar for literature and culture, as well as national means in providing education books.

When government policy changed with the issuance of National Education Minister Regulation number 5 year 2005 that revoked education and school book publishing rights from Balai Pustaka, this publishing company lost their monopoly right, failed to compete in the market, and fell.

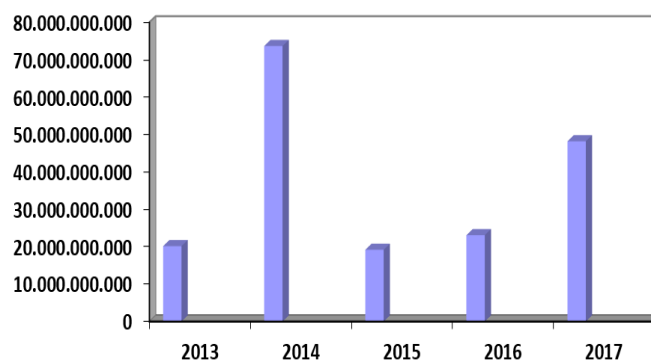


Fig 1:- PT Balai Pustaka (Persero) Nett Sales in 2013-2017  
Source : Balai Pustaka Internal Data (2018)

From the table and graphic above, we can see that the revenue of PT Balai Pustaka (Persero) frequently fluctuated in the last five years. Although their revenue in 2014 increased significantly with some Special Allocation Funds (DAK) projects and the ballot printing for Legislative and Presidential election in 2014, but it was followed by drastic fall in 2015 compared to two previous years, and it then climbed slowly until 2017.

Based on the background, author sees strife of the first and oldest printing and publishing company in Indonesia in maintaining their existence amidst current competition in printing and publishing sector is an interesting phenomenon

to be studied. Besides that, based on Balai Pustaka sales data that fluctuates, author intends to study the customer aspect too, namely the buying decision of Balai Pustaka products. The variable is brand image as the main factor from pre-survey result. Author had pre-survey in Matraman, East Jakarta towards 20 people by using accidental sampling on reason of buying books from Balai Pustaka. The result is as follows:

No	Product quality	Total
1	Brand image	16
2	Promotion	14
3	Product innovation	12
4	Price	10
5	Service quality	4
6	Others	2
7	Product quality	2

Table 1:- Pre-Survey Result Data  
Source: Pre-survey result data (2018)

**II. LITERATURE REVIEW**

**A. Brand Image**

The American Marketing Association in defines brand as name, word, sign, symbol or design, or combination of them, that was aimed as identity of a good or service from a seller or a seller group to differentiate themselves from competitors.[2]

Brand image is a group of belief trusted by consumer towards certain brand.[2] Brand image has direct influence towards consumer buying decision, good brand image will stimulate buying by simplifying decision rules. Brand image is an association from consumers mind upon remembering certain brands. Image of a brand can affect consumer in decision-making. In building positive brand image, marketer can create unique programs, which aim to build consumer memory of a brand. This realization is also important to build brand equity.[3]

Specifically, brand image consists of six dimensions, namely [2]:

- Memorable, how easily a consumer remembers and recognizes a brand
- Meaningful, how good credibility of a brand is, whether it represents brand product and consumer.
- Likeable, brand beauty and appeal level.
- Transferable, brand ability in representing new product in similar or different category.
- Adaptable, relevance or easiness of a brand to adjust and renew according to age development.
- Protectable, legal protection of a brand.

**B. Buying Decision**

Buying decision is decision-making process of a purchase that includes deciding what to purchase or not to purchase, and that decision comes from previous activities.[4] Buying decision process has stages before a consumer decides to buy namely need recognition,

information gathering, alternative evaluation, buying decision, and behavior after purchasing.[5]

➤ *Need Recognition*

This is the first stage of buying decision process where customer recognizes issue or need. Buyer senses a different between the actual condition and some wanted conditions. The need can come from internal stimulant when a normal need such as hunger or thirst climbs into high level so it becomes a trigger. Besides that, external stimulant can also affect needs.

➤ *Information Gathering*

Information gathering is a stage where customer looks for additional information. The customer may just try to remind themselves or actively look for information.

➤ *Alternative Evaluation*

Alternative evaluation is where customer uses information to evaluate various alternative brands amongst some choices. How a customer begins trying to evaluate buying alternative depends on the customer individually or special buying situation.

➤ *Buying Decision*

Customer performs three types of buying, namely trial buying, repetitive buying, and long-term commitment buying.

➤ *Behavior after Purchasing*

When customer uses a product, they assess the product performance according to their expectations. There are three probable assessments namely true performance according to their expectation resulting in neutral feeling, performance beyond their expectation resulting in satisfaction, and performance below their expectation resulting in dissatisfaction.

Buying decision is buying process related to a brand they will purchase. Buying decision is an individual activity that is directly involved in decision making process to purchase a product offered by seller.[6]

**III. RESEARCH MODEL**

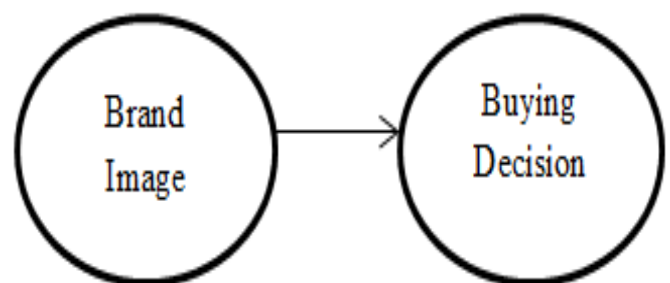


Fig 2:- Framework

➤ *Research Hypothesis*

H1 : Brand image affects Buying Decisio of Balai Pustaka product.

**IV. RESEARCH METHOD**

Author uses quantitative approach as research method because the data used are concrete, objective, measurable, rational, and systematic. Research design is survey method with questionnaire through Google Doc based on respondent perception according to Likert scale. The population is generalization of object or subject with particular quality and characteristics set by author to study and then make the conclusion (Sugiyono, 2014). Population in this research is all customers of Balai Pustaka books in Indonesia. Population study in this research is all Balai Pustaka customers in Indonesia.

Sample size in this research is based on data analysis method to be used. The data analysis method is Structural Equation Model (SEM), then the ideal and representative sample quantity is between 100-200, depends on the estimated parameter amount. The guideline is 5-10 times of

total indicator from the whole variables. [7] Based on the guideline, then the total sample in this research is  $5 \times 34 = 170$  respondents. Meanwhile, sampling technique in this research is nonprobability sampling. Nonprobability sampling technique type is convenience sampling, because this sampling technique aims to obtain easy element sample and sampling unit decision depends on the researcher.[8]

Analysis method used is Structural Equation Modelling (SEM) using Lisrel 8.80 software. SEM can be described as an analysis that combines factor analysis, structural model, and path analysis.[9] Therefore, in SEM analysis, there can be three simultaneous activities, namely instrument validity and reliability (related to confirmatory factor analysis), inter-variable relation model test (related to path analysis), and activity to obtain a suitable model for prediction (related to regression analysis or structural model analysis).

**V. RESULT AND DISCUSSION**

Variable	Indicator Code	Respondent Answer					Total	Average
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree		
Brand Image (X <sub>1</sub> )	CM01	11	24	52	51	32	170	3.41
	CM02	12	23	51	58	26	170	3.37
	CM03	7	24	42	62	35	170	3.55
	CM04	15	16	31	53	55	170	3.69
	CM05	6	26	64	52	22	170	3.34
	CM06	3	27	72	58	10	170	<b>3.26</b>
	CM07	7	23	62	51	27	170	3.40
	CM08	21	10	27	42	70	170	<b>3.76</b>
<b>Total</b>		<b>82</b>	<b>173</b>	<b>401</b>	<b>427</b>	<b>277</b>	<b>1360</b>	<b>3.47</b>
<b>Percentage</b>		<b>6.03%</b>	<b>12.72%</b>	<b>29.49%</b>	<b>31.40%</b>	<b>20.37%</b>	<b>100.00%</b>	

Table 2:- Brand Image Description

This dimension has 3.47 average value and consists of eight indicators namely CM01-CM08. Meanwhile, based on the data distribution, 6.03% respondents strongly disagree, 12.27% disagree, 29.49% neutral, 31.40% agree, and 20.37% strongly agree. Average in this question is 3.47, which in interval interpretation it is in “Agree” category. The result shows that Brand Image in sample scope is in good category. Besides that, CM08 has the

highest average of 3.76, with score point that “Balai Pustaka Brand has legal protection (Intellectual Property Rights or *HAKI* in Indonesian)” is in the highest category according to the respondents or mostly agreed in the Brand Image (X<sub>1</sub>) variable. Meanwhile, CM06 has the lowest average of 3.26 with score point that “Balai Pustaka brand represents my desire” is the lowest category according to respondents in Brand Image (X<sub>1</sub>) variable.

Variable	Indicator Code	Respondent Answer					Total	Average
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree		
Buying Decision (Y)	Kpem01	8	27	80	39	16	170	<b>3.16</b>
	Kpem02	5	25	64	52	24	170	<b>3.38</b>
	Kpem03	5	24	76	48	17	170	3.28
	Kpem04	7	23	65	59	16	170	3.32
	Kpem05	5	25	63	54	23	170	<b>3.38</b>
<b>Total</b>		<b>30</b>	<b>124</b>	<b>348</b>	<b>252</b>	<b>96</b>	<b>850</b>	<b>3.31</b>
<b>Percentage</b>		<b>3.53%</b>	<b>14.59%</b>	<b>40.94%</b>	<b>29.65%</b>	<b>11.29%</b>	<b>100.00%</b>	

Table 3:- Buying Decision Description  
Source : Author Analysis Result (2018)

This dimension has 3.31 average and consists of five indicators namely Kpem01 – Kpem05. Based on data distribution, it shows that for questionnaire question in Buying Decision (Y) indicator variable 3.53% respondents strongly disagree, 14.59% disagree, 40.95% neutral, 29.65% agree, and 11.29% strongly disagree.

Average result in this question is 3.31 which in interval interpretation it is in “Agree” category. The result shows that Buying Decision in sample scope is in good condition. Besides that, Kpem02 and Kpem05 have highest average of 3.38 with score point that “Information of Balai Pustaka book products is easy to get,” and “I will recommend Balai Pustaka product to other people” is in the best category or mostly agreed according to respondent answers in Buying Decision (Y) variable. Meanwhile, Kpem01 has the lowest average of 3.16 with score point that “Balai Pustaka book product is my first choice” is in the lowest category or mostly disagreed according to respondent answer in Buying Decision (Y) variable.

**A. Validity and Reliability Test**

➤ *Brand Image Variable*

There are eight variable indicators observed in Brand Image (X<sub>1</sub>) latent variable that have passed validity test, because of the eight variable indicators, all loading factors value ≥ 0.50 and t-value ≥ 1.97. Meanwhile, reliability test of Brand Image (X<sub>1</sub>) results in good reliability value where Construct Reliability (CR) = 0.92 > 0.7, and Variance Extracted (VE) is 0.6 > 0.50. Therefore, Brand Image (X<sub>1</sub>) latent variable has passed validity and reliability test requirement.

➤ *Buying Decision Variable*

There are five variable indicators observed in Buying Decision (Y) latent variable that have passed validity test, because of the five variable indicators, all loading factors ≥ 0.50 and t-value ≥ 1.97. Meanwhile, reliability test of Buying Decision (Y) variable has good reliability value where Construct Reliability (CR) = 0.90 > 0.7 and with Variance Extracted (VE) 0.6 > 0.50. Therefore, Buying Decision (Y) latent variable has meet requirement of validity and reliability test.

**B. Hypothesis Test**

Inter-Construct Correlations	Estimates	T-Values
<b>Brand Image -&gt; Buying Decision</b>	0.530	4.820

Table 4:- Coefficient Value and t-Values Direct and Indirect Effect

**C. Brand Image (X<sub>1</sub>) has Significant Influence towards Buying Decision (Y)**

Based on the table above, t-Values = 4.82 > 1.97. Coefficient value is positive namely 0.530, which means Brand Image (X<sub>1</sub>) variable positively affects Buying Decision (Y). Therefore, hypothesis H<sub>1</sub> in this research that states that “Brand Image (X<sub>1</sub>) affects significantly towards Buying Decision (Y)” is **acceptable**.

➤ *Total Effect Test*

Inter-construct Correlation	Original Sample (O)	T Statistics ((O/STDEV))
<b>Brand Image -&gt; Buying Decision</b>	0.530	4.820

Table 5:- Total Effect Path Coefficient Value, and t-Value

**D. Brand Image (X<sub>1</sub>) Variable Total Influence towards Buying Decision (Y)**

Based on the table, t-Values = 4.820, which is bigger than t = 1.97. Coefficient value is **positive** namely 0.530 which means Brand Image (X<sub>1</sub>) variable positively affect Buying Decision (Y), and if Product Quality (X<sub>2</sub>) and Promoiton (X<sub>3</sub>) are considered zero (non-existent or not done), then Brand Image (X<sub>1</sub>) variable will increase the Buying Decision (Y) variable by 53.0%.

**VI. DISCUSSION**

Analysis result shows that brand image variable is positively influential towards buying decision. Hypothesis test result shows that brand image affects to buying decision of Balai Pustaka product. Based on analysis result, brand image variable will increase buying decision variable by 53.0%.

**VII. CONCLUSION**

From the research problem formulated in introduction and explained in research result and discussion, the conclusion of this research is that brand image variable positively affects buying decision.

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