

# ABSTRACT

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## THE EFFECT OF BRAND EQUITY ON CUSTOMER SATISFACTION AT PT. AICA MUGI INDONESIA IN MEDAN

(xv + 79 pages; 7 figures; 45 tables; 8 appendices)

In this modern era, competition between companies is getting more and more intense. All companies are trying to find ways to survive and one of the ways is to increase customer satisfaction. In order to increase customer satisfaction, companies must have strong and positive brand equity. It is because customers will prefer product with well-known brand over the less well-known brand. If customers are satisfied with a brand, they will repurchase the same brand over and over again in which will increase the sales of the company.

The purpose of this research is to test and analyse the effect of brand equity on customer satisfaction at PT. Aica Mugi Indonesia in Medan. Primary and secondary data are applied in this research in order to answer the problem formulation.

The research is done with quantitative approach and IBM SPSS Statistics v.25 application. The data were collected from 52 customers of PT. Aica Mugi Indonesia. The analysis method used in this research are descriptive statistics, validity test, reliability test, normality test, linearity test, coefficient of correlation, coefficient of determination, linear regression analysis and hypothesis test.

The hypothesis test in this research indicates that the null hypothesis is rejected while the alternate hypothesis is accepted. It is because the  $Z_{test}$  (4.863) is greater than the  $Z_{table}$  (1.96) which means the brand equity has an effect on customer satisfaction. The effect of brand equity on customer satisfaction is 46.4 % while the remaining 53.6 % is affected by other factors.

The completion of this research suggested that more research on this topic should be done in order to expand the knowledge of both writer and reader. Also, the company is recommended to improve the indicators of brand equity, such as brand awareness and other proprietary brand assets in order to increase customer satisfaction.

**Keywords:** Brand Equity, Customer Satisfaction, International Business

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