

CHAPTER I

INTRODUCTION

1.1 Background

Brands are a very essential part of a company, an asset which is intangible yet so valuable and crucial to the financial success of the company. Brands are something considerably extremely complex to design, build, and administer. Yet These intangible assets also provide significant benefits to both businesses and consumers (Keller & Lehman, 2006).

Branding is the ongoing process of discovering, producing, and managing the assets and activities that create a brand's perception in the minds of stakeholders. By creating brands and branding this creates an image and identity for a company ("What Is Branding? | The Branding Journal", 2015). As the key component of brand management companies seek to differentiate and create uniqueness in their brand in a competitive marketplace. These efforts involve not just controlling the visual identity and functional components of brand design, but also the intangible aspects that are expressed in the ideas and attitudes of the brand that customers perceive (Puzakova, Kwak & Rocereto, 2013).

In the process of brand anthropomorphisation, this is the process by which a brand is brought to life, so to speak, by ascribing mental faculties such as purpose, effortful

thinking, and behavioural characteristics to non-living things (Puzakova, Kwak & Rocereto, 2013). The broader extent of brand anthropomorphisation

connects consumption with the urge for self-expression among consumers. The entire process of brand anthropomorphisation enables businesses to establish a connection between their brand and the customer, resulting in a product that is more distinctive and memorable (Tong, Su & Xu, 2017). Because anthropomorphising makes non-human goods seem more human-like and more familiar, customers feel more at ease and confident when dealing with products that have been anthropomorphized.

The personality of a brand is a major aspect of anthropomorphised brands (Coelho, Bairrada & Coelho, 2019), brand personality refers to the personality qualities or human values that a brand may acquire through marketing efforts or be recognised by consumers. The creation of a strong brand personality involves creating a bespoke character or mascot as a piece of the brand element. (Andreini et al., 2018) A few great examples of these mascots would be, Rich Uncle Pennybags by Monopoly, and Mario from Nintendo. Another great way to achieve the same effect would be the implementation of brand ambassadors, one great example would be Charles Leclerc who is a world famous Formula One race car driver who is currently one of Richard Mille's brand ambassadors. By associating the brand with a fictitious character or a spokesperson, brands may be humanized and made more relatable to customers. Brand experience is derived from the idea of experiential marketing, which conveys and links both the characteristics and advantages of a product and the customer experience, and is critical for the establishment of connection between brand and consumer. (Andreini et al., 2018) Given the tendency for people to perceive things to be a part of their 'self,' brand

personality allows customers to identify with a brand and express their own personality via the brand. (Azoulay & Kapferer, 2003)

This study intends to review and test a model that investigates the influence of companies' investments in innovation and performance to create brand experience, the personality and image of a brand. This study will further investigate how these elements would build and create stronger relationships between consumers and brands. The prior research explored and studied how brand experience and brand personality influences the success of a company. Moreover, the previous research also includes the study of how brand experience and brand personality could be formed via the companies' investments into intangible qualities of the brand while leaving out functional qualities. Therefore, this study will further do an in depth investigation into other factors such as innovation and product quality, particularly in the company of Toyota Indonesia with the goal to prove whether there is a deeper relationship between functional aspects and the more symbolic aspects of a brand.

The retail automotive market in Indonesia is massive with over 1 million units sold in 2019, in the same year over 65 million units were sold worldwide. Due to the global pandemic the global automotive market suffered a 15.4% loss in 2020 due to a decrease in global economic activities. ("Global Automotive Industry Overview | Data and Analysis - knoema.com", 2021) The Indonesian market suffered a large loss in sales during this pandemic with sales dropping all the way 578,762 units were sold during the year of 2020.

Currently there are over 7.9 billion people on the earth and currently there are 1.4 billion car users globally. Roughly there is a ratio of 1:5 1 car for every 5 people. Indonesia is currently the fourth largest population in the world currently with over 275 million people. 21 million cars registered in Indonesia as of 2020, close to 20% of these cars are registered in Jakarta. ("Indonesia | Number of Registered Vehicles | 1963 – 2021 | Indikator Ekonomi | CEIC", 2020) Based on this data the ratio of registered cars to population in Indonesia is roughly concluded as 1:13 on national level. Jakarta is the most populated city in Indonesia with over 10.6 million people, roughly the ratio for cars to people in Jakarta is 2:5.

Toyota Motor Corporation, is Japanese automobile founded by Kiichiro Toyota in the year 1937 currently Toyota is one of the world's biggest car manufacturers, with a production of about 10 million automobiles each year. ("TOYOTA MOTOR CORPORATION GLOBAL WEBSITE | 75 Years of TOYOTA", 2021) Toyota has been serving the world with quality built automobiles now for over 80 years with their Toyota Corolla being the all-time best-selling car in the world. Built around innovation and engineering Toyota has been considered the forefather in development of hybrid electric vehicles. The Toyota company itself is also heavily involved in racing, ever since the 70s racing in big name events such as 24 hours of Le Mans, FIA World Rally Championship and even the prestigious Formula One Race. With the company being so highly involved in the world of racing, the company has a whole division devoted to racing called TRD or also known as Toyota Racing Development, which later helped them develop the GR or Gazoo Racing which is the performance brand of Toyota.

This Japanese giant automobile soon became a multinational automobile brand, TAM or also known as PT Toyota-Astra Motor brought the brand into Indonesian market in April of 1971. The company PT Toyota-Astra Motor is a result of a joint venture between the Indonesian PT Astra International Tbk and Japan own automotive conglomerate, Toyota Motor Corporation. Toyota currently is the biggest retail automobile player in Indonesia having the largest market share above its competitors.

Toyota is currently the market leader in the retail car market in Indonesia with over 182 million cars sold in 2020. ("Indonesia: car sales by brand 2020 | Statista", 2021) For over 40 years Toyota has innovated and brought wonders to the market for the Indonesian consumers, such as the Kijang which was first launched in 1977 which was later developed into the Kijang Innova in 2004. Today the kijang innova is considered to be one of best-selling LMPV in the Indonesian market, which is highly sought by families all over Indonesia. The automotive market is ever evolving and changing with consumers' wants and expectations evolving. With the ever evolving consumer wants, manufacturers are always innovating and improving on their vehicles to meet these expectations. Toyota is a great example of a business that successfully integrates this technology with design and purpose. The automobile manufacturer is committed to laying the groundwork for the "future of mobility." This goal serves as a guide, impacting critical strategic decisions about branding, product innovation, and partnerships, among others. (Mainwaring, 2018) Toyota Indonesia was once again awarded the Social Business Innovation Award in 2017.

The retail automobile sales and market share between the January to December 2019 seen in figure 1.1 below.

B. RETAIL SALES

NO.	BRAND	MONTH												RETAIL 2019	SHARE %
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC		
1	TOYOTA	25,248	23,226	27,608	26,611	31,871	22,123	28,179	28,022	26,529	28,495	29,672	33,420	331,004	31.7%
2	DAHATSU	16,274	15,145	16,071	13,216	17,486	9,834	12,805	13,696	13,112	15,578	16,214	18,157	177,588	17.0%
3	HONDA	12,190	12,828	15,179	10,260	12,486	8,596	12,702	13,127	12,323	12,375	13,010	14,363	149,439	14.3%
4	MITSUBISHI MOTORS	11,238	11,176	11,686	10,558	10,217	8,240	10,640	10,143	8,034	9,034	9,688	8,282	118,936	11.4%
5	SUZUKI	9,244	7,002	7,321	8,145	9,633	6,730	9,307	9,114	8,326	8,501	9,141	10,401	102,865	9.9%
6	MITSUBISHI FUSO	4,305	3,138	2,873	3,116	2,409	2,623	3,512	3,587	3,909	4,329	4,174	3,760	41,735	4.0%
7	HINO	2,752	2,642	3,038	2,096	1,918	1,569	2,438	2,834	2,974	3,049	2,839	3,322	31,471	3.0%
8	ISUZU	2,048	1,838	1,964	1,799	1,767	1,689	2,003	2,299	2,281	2,249	2,684	2,694	25,315	2.4%
9	WULING	1,172	1,298	1,474	1,479	2,036	1,366	2,066	1,973	1,842	1,662	1,876	2,868	21,112	2.0%
10	NISSAN	648	669	1,372	964	1,437	903	1,240	1,459	915	1,070	1,070	823	12,570	1.2%
11	DATSUN	751	615	586	838	828	616	736	676	637	553	455	458	7,749	0.7%
12	MAZDA	411	440	475	363	430	270	500	500	400	375	402	368	4,934	0.5%
13	DFSK	109	133	90	145	193	258	365	424	370	402	362	409	3,260	0.3%
14	B M W	175	175	200	148	210	131	271	301	262	260	282	85	2,500	0.2%
15	MERCEDES BENZ CV	180	138	188	161	240	73	192	94	239	194	159	284	2,142	0.2%
16	UD TRUCKS	213	229	209	178	128	159	126	198	137	125	183	181	2,066	0.2%
17	CHEVROLET	185	208	252	127	148	99	91	49	78	26	270	303	1,836	0.2%
18	HYUNDAI	122	80	106	100	76	195	65	226	107	137	110	93	1,417	0.1%
19	LEXUS	15	97	152	123	109	76	94	207	124	165	127	65	1,354	0.1%
20	TATA	137	53	81	41	50	30	60	89	59	110	48	61	819	0.1%
21	MINI	35	40	50	50	50	50	70	75	80	65	85	50	700	0.1%
22	MERCEDES BENZ PC	-	-	-	-	-	-	-	-	-	-	309	292	601	0.1%
23	SCANIA	41	55	52	43	49	44	46	28	19	26	11	4	418	0.0%
24	VOLKSWAGEN	15	31	27	4	17	23	38	55	24	29	70	17	350	0.0%
25	FAW	16	10	16	30	35	11	25	26	26	46	14	36	291	0.0%
26	RENAULT MAXINDO	-	-	-	-	34	28	26	37	19	37	40	29	250	0.0%
27	PEUGEOT	-	9	14	9	7	6	7	10	16	15	18	18	129	0.0%
28	RENAULT AUTO EURC	12	11	18	8	12	5	4	5	-	-	-	-	75	0.0%
29	AUDI	3	1	4	4	2	2	1	3	6	3	3	4	36	0.0%
30	MAN TRUCK	8	3	3	3	-	1	2	1	5	4	2	-	32	0.0%
31	PROTON	8	3	6	3	3	-	-	-	-	-	-	-	23	0.0%
32	INFINITI	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
33	HYUNDAI KOMERSIAL	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
GRAND TOTAL		87,555	81,293	91,115	80,622	93,881	65,750	87,611	89,258	82,853	88,914	93,318	100,847	1,043,017	100%
CUMULATIVE		87,555	168,848	259,963	340,585	434,466	500,216	587,827	677,085	759,938	848,852	942,170	1,043,017		

Figure 1.1 Automobile sales and market share in 2019 (adapted from Indonesian Automobile Industry Data, 2021)

While the retail automobile sales and market share between the January to December in the year 2020 can be seen in Figure 1.2.

B. RETAIL SALES

NO.	BRAND	MONTH												RETAIL 2020	SHARE %
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC		
1	TOYOTA	24,928	23,884	17,787	8,443	6,727	11,196	11,531	11,057	12,523	13,466	17,908	23,215	182,665	31.6%
2	DAIHATSU	14,582	13,658	10,946	5,160	3,673	5,558	5,890	6,300	7,721	8,135	9,200	9,203	100,026	17.3%
3	HONDA	12,603	11,918	10,657	1,855	1,291	2,488	4,036	4,865	5,835	6,561	7,455	9,887	79,451	13.7%
4	SUZUKI	10,120	8,144	7,161	2,700	2,205	4,206	5,432	5,259	5,710	5,715	7,232	8,505	72,389	12.5%
5	mitsubishi Motors	8,460	8,163	5,450	2,703	313	1,689	3,114	3,525	4,322	4,901	5,359	6,769	54,768	9.5%
6	MITSUBISHI FUSO	2,949	3,086	2,473	1,119	844	1,591	1,583	1,486	1,886	1,990	2,095	2,898	24,000	4.1%
7	ISUZU	1,705	2,022	1,528	756	781	1,026	1,393	1,277	1,628	1,805	1,924	2,010	17,855	3.1%
8	HINO	1,617	2,020	1,245	481	309	708	714	807	1,032	945	1,480	1,680	13,038	2.3%
9	WULING	1,381	1,670	838	263	296	301	438	565	670	644	911	1,546	9,523	1.6%
10	NISSAN	785	861	602	165	109	276	481	996	693	625	755	1,060	7,408	1.3%
11	MAZDA	254	402	224	53	51	102	170	205	192	184	420	354	2,611	0.5%
12	DFSK	355	346	255	101	41	102	133	254	191	211	201	234	2,424	0.4%
13	MERCEDES-BENZ PC	122	219	202	73	84	138	148	160	196	167	277	441	2,227	0.4%
14	B M W	175	200	191	55	85	125	203	210	203	186	210	239	2,082	0.4%
15	MERCEDES-BENZ CV	110	166	90	60	38	25	76	85	137	98	114	194	1,193	0.2%
16	DATSUN	295	238	192	26	22	24	32	182	30	10	9	9	1,069	0.2%
17	LEXUS	29	104	137	42	37	73	94	92	89	81	124	86	988	0.2%
18	UD TRUCKS	153	139	77	30	34	37	48	61	59	81	79	74	872	0.2%
19	K I A	5	76	62	61	40	27	44	60	45	39	88	111	658	0.1%
20	HYUNDAI - HIM	114	103	45	33	14	43	51	34	52	21	29	42	581	0.1%
21	MINI	40	55	50	20	20	30	50	60	50	45	31	32	483	0.1%
22	VOLKSWAGEN	123	114	48	9	3	16	59	18	13	18	25	29	475	0.1%
23	RENAULT	15	14	17	2	24	15	24	39	20	82	32	46	330	0.1%
24	MORRIS GARAGE	-	-	-	-	-	-	-	-	-	-	-	313	313	0.1%
25	TATA	37	104	19	6	14	16	10	10	21	13	15	38	303	0.1%
26	FAW	18	48	44	17	3	5	12	13	9	18	17	16	220	0.0%
27	SCANIA	11	44	9	12	8	16	13	14	2	38	32	18	217	0.0%
28	PEUGEOT	17	31	35	22	7	17	18	16	9	9	15	16	212	0.0%
29	HYUNDAI - HMID	-	-	-	-	-	-	-	-	14	40	61	66	181	0.0%
30	CHEVROLET	52	34	53	4	-	-	-	-	-	-	-	-	143	0.0%
31	AUDI	3	1	1	4	5	7	2	4	5	3	4	8	47	0.0%
32	MAN TRUCK	1	1	2	-	5	1	-	-	-	-	-	-	10	0.0%
33	INFINITI	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
34	BYD	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
35	HONGYAN	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
36	RENAULT AUTO EURO	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
37	PROTON	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
GRAND TOTAL		81,059	77,865	60,440	24,275	17,083	29,858	35,799	37,654	43,357	46,131	56,102	69,139	578,762	100%
CUMULATIVE		81,059	158,924	219,364	243,639	260,722	290,580	326,379	364,033	407,390	453,521	509,623	578,762		

Figure 1.2 Automobile sales and market share in 2020 (adapted from Indonesian Automobile Industry Data, 2021)

The retail automobile sales and market share between the January to June in the year 2021 can be seen in Figure 1.3.

3. RETAIL SALES

NO.	BRAND	MONTH												RETAIL 2021	SHARE %			
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC					
1	TOYOTA	15,292	12,537	26,445	25,882	21,117	19,444	-	-	-	-	-	-	-	-	-	120,717	31.1%
2	DAIHATSU	9,528	8,414	12,368	13,673	10,735	12,514	-	-	-	-	-	-	-	-	-	67,232	17.3%
3	HONDA	7,068	6,018	10,048	10,189	8,538	7,578	-	-	-	-	-	-	-	-	-	49,439	12.7%
4	MITSUBISHI MOTORS	6,694	5,842	8,848	10,177	7,516	8,704	-	-	-	-	-	-	-	-	-	47,781	12.3%
5	SUZUKI	6,192	5,132	8,179	7,575	6,578	7,272	-	-	-	-	-	-	-	-	-	40,928	10.6%
6	MITSUBISHI FUSO	2,163	2,340	2,744	2,492	2,082	2,277	-	-	-	-	-	-	-	-	-	14,098	3.6%
7	ISUZU	1,846	1,814	2,165	2,234	1,831	2,078	-	-	-	-	-	-	-	-	-	11,968	3.1%
8	WULING	1,010	861	1,778	2,426	2,239	1,873	-	-	-	-	-	-	-	-	-	10,187	2.6%
9	HINO	1,352	1,323	1,665	1,513	1,129	1,529	-	-	-	-	-	-	-	-	-	8,511	2.2%
10	NISSAN	1,197	985	988	602	454	390	-	-	-	-	-	-	-	-	-	4,616	1.2%
11	MAZDA	329	258	287	591	238	260	-	-	-	-	-	-	-	-	-	1,961	0.5%
12	K I A	68	160	372	401	256	302	-	-	-	-	-	-	-	-	-	1,559	0.4%
13	DFSK	225	247	274	301	229	232	-	-	-	-	-	-	-	-	-	1,508	0.4%
14	MERCEDES-BENZ PC	192	187	224	215	207	210	-	-	-	-	-	-	-	-	-	1,235	0.3%
15	B M W	168	175	230	215	197	202	-	-	-	-	-	-	-	-	-	1,187	0.3%
16	HYUNDAI - HMD	62	161	175	235	159	252	-	-	-	-	-	-	-	-	-	1,044	0.3%
17	UD TRUCKS	130	125	174	152	143	118	-	-	-	-	-	-	-	-	-	842	0.2%
18	MERCEDES-BENZ CV	129	73	76	141	103	60	-	-	-	-	-	-	-	-	-	582	0.2%
19	MORRIS GARAGE	52	50	87	121	113	124	-	-	-	-	-	-	-	-	-	547	0.1%
20	LEXUS	28	81	101	104	86	109	-	-	-	-	-	-	-	-	-	509	0.1%
21	SCANIA	34	35	57	70	75	75	-	-	-	-	-	-	-	-	-	346	0.1%
22	MINI	40	42	41	65	66	73	-	-	-	-	-	-	-	-	-	327	0.1%
23	VOLKSWAGEN	36	28	58	44	16	34	-	-	-	-	-	-	-	-	-	216	0.1%
24	HYUNDAI - HIM	54	15	36	26	11	22	-	-	-	-	-	-	-	-	-	164	0.0%
25	PEUGEOT	34	19	14	11	25	11	-	-	-	-	-	-	-	-	-	114	0.0%
26	TATA	12	5	50	17	16	5	-	-	-	-	-	-	-	-	-	105	0.0%
27	FAW	14	12	11	3	15	15	-	-	-	-	-	-	-	-	-	70	0.0%
28	DATSUN	-	1	19	-	-	-	-	-	-	-	-	-	-	-	-	20	0.0%
29	AUDI	1	3	1	4	3	2	-	-	-	-	-	-	-	-	-	14	0.0%
30	CHEVROLET	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
31	INFINITI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
32	RENAULT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
33	HONGYAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
34	MAN TRUCK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
GRAND TOTAL		53,950	46,943	77,515	79,479	64,175	65,765	-	-	-	-	-	-	-	-	-	387,827	100%
CUMULATIVE		53,950	100,893	178,408	257,887	322,062	387,827	-	-	-	-	-	-	-	-	-	-	-

Figure 1.3 Automobile sales and market share in 2021 (adapted from Indonesian Automobile Industry Data, 2021)

The Chart below shows the market share of the top 5 brands in the automobile retail market of Indonesia seen in Figure 1.4.

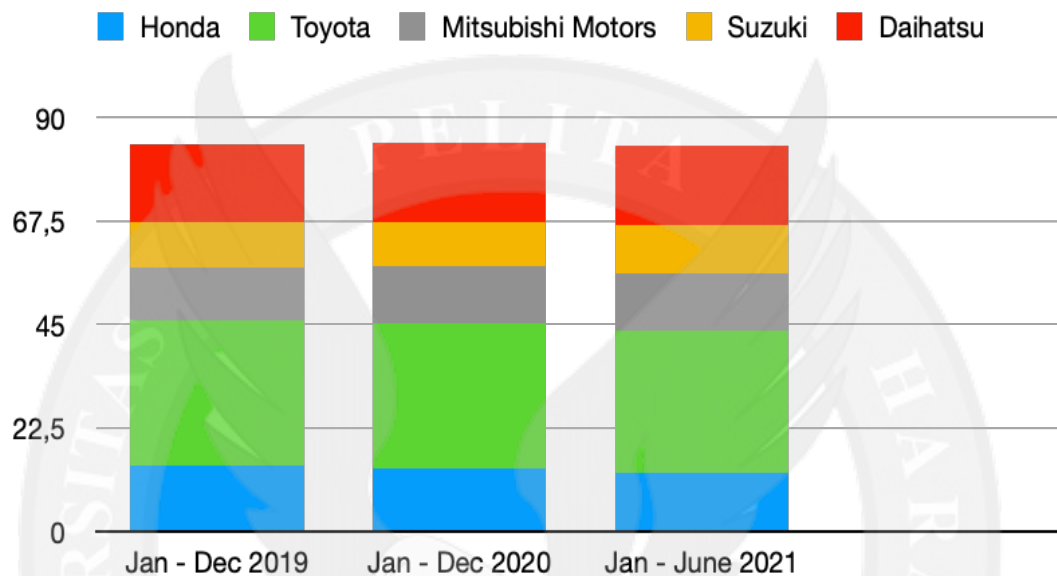


Figure 1.4 Indonesia's automobile retail market

As seen in the data above, it is clear that Toyota is currently the market leader in retail automotive sales in Indonesia. This study will further analyse why Toyota is so successful. The study will be based on the Indonesian consumers and how the consumer behaviour is in Indonesia. This study will further dive into the decision making factors of the Indonesian consumers and how they select functional brand qualities and intangible brand qualities towards what they consider and perceive as important qualities in selecting brands.

Consumers are more inclined to maintain the way they represent themselves by adhering to particular beliefs, principles, and personal style preferences, they are more likely to select companies that are consistent with their own brand identity. A

bias is formed by consumers, no matter how good a product's specification might be on paper, they would still choose the other product which might be inferior but the brand's image and message suits the consumer better.

Although the decision-making process appears to be very conventional, no two consumers make decisions identically. Each consumer possesses a variety of ideas and behavioural patterns of which some are under our control, while others are uncontrollable. The way in which all of these variables interact with one another assures that each consumer is naturally unique and their personal characteristics have a significant impact on their purchasing behaviour (Khaniwale, 2015). Numerous and complicated elements impact the customer problem-solving process. A customer with extensive past purchase expertise in a certain product category may approach the choice differently than someone with no prior purchasing experience in that area. Marketers may make more accurate inferences about customer behaviour as they get a deeper grasp of these driving variables. ("Factors Influencing Consumer Decisions | Principles of Marketing", 2021)

Elements and variables that influence purchasing and consumer behaviour are grouped into four factors: situational factors, personal factors, psychological factors and lastly social factors.

Situational factors refers to "All those variables specific to a time and location of observation that do not result from knowledge of personal and stimuli characteristics but which have a demonstrated and systematic impact on present behavior" (Belk, 1975, p. 152).

Personal factors such as age, occupation, economic situation, lifestyle, personality, and self-concept may be exciting indicators of a business's uniqueness, and their attraction may influence the purchasing behaviour of consumers, as demonstrated by (Yakup & Jablonsk, 2012), who theorized that personal characteristics such as age, occupation, economic situation, lifestyle, personality, and self-concept have a strong influence on consumer purchasing behavior. (Rani, 2014) Also backs up this claim as she also claims that Consumers' personal characteristics such as age, occupation, economic circumstances, lifestyle, personality, and self-concept all have an effect on their purchasing behavior.

Psychological factors may be classified into four categories: motivation, perception, learning, and attitudes and beliefs. (Rani, 2014)

Motivation is what drives consumers to create a buying habit. It is the manifestation of a pressing need that has become compelling enough for the customer to desire to fulfil it. It often operates on a subconscious level and is frequently difficult to quantify. Consumers' motivation also has an effect on their purchasing behaviour. Each individual has unique requirements. The nature of requirements is such that some are more urgent than others. Thus, as it gets more urgent to drive the individual toward fulfilment, a need becomes a motivation. Motivation is inextricably linked to need and is represented in the same manner as the phases of the consumer purchasing decision process. (Rani, 2014) In order to boost sales companies should push to establish and reinforce a need in the consumer's mind, thus motivating the consumer to spend. Consumers will be much more receptive to evaluating and purchasing their goods. Additionally, they must

identify the motive and need for which their product responds, based on the kind of goods they sell and the customers they target, in order to position their product as the answer to the consumer's need. (Rani, 2014)

Perception is the process through which a person chooses, organizes, and interprets the data he or she gets in order to make sense of it. At any particular moment, a person's perception of a circumstance may dictate how they behave and react. Perception is the process of selecting, organizing, and interpreting data in order to generate a meaningful experience. Selective attention, selective distortion, and selective retention are three distinct perceptual processes. When marketers use selective attention, they attempt to capture the customer's attention. Whereas, in the instance of selective distortion, consumers attempt to interpret the information in a manner that confirms their pre-existing beliefs. (Rani, 2014)

Learning occurs as a result of action. When an individual acts, the individual acquires knowledge. It entails a change in conduct as a consequence of the encounter. Individuals' behaviors alter as they gain knowledge and experience. For instance, if an ill feeling is experienced after drinking a certain brand of coffee, the consumer would connect the coffee with this condition of discomfort and learn not to consume coffee from that particular brand. As a result, the individual will stop purchasing coffee from that particular brand. Rather than that, if a positive experience was felt with the product, the individual or consumer will be far more likely to purchase it again in the future. (Rani, 2014)

Beliefs are an individual's firm conviction about something. Through his acquired experience, education, and external influences, he or she will create beliefs

that will affect the purchasing behaviour. Each customer has a unique set of beliefs and attitudes about different goods. Marketers are interested in these ideas and attitudes because they contribute to brand image and influence customer purchasing behaviour. By creating targeted campaigns, marketers may influence their consumers' views and attitudes. To alter the marketing message or positioning of a brand in order to influence customers' brand perceptions. (Rani, 2014)

Since all consumers live in society, and as such, social variables such as family, friends, relatives, elders, co-workers, position and standing in society all influence our purchasing choices. When selecting a service provider, cultural and marketing aspects are also examined, this factor examined is defined as social factor. (Sethi & Chawla, 2014)

A brand's perceived quality should improve as a result of brand innovation, according to Zeithaml (1998). Based on consumer perceptions of product quality based on functional and non-functional attributes (Dodds et al., 1991), innovation must also convey to consumers an improved brand's ability to meet customer demands, resulting in a more favorable perception of brand excellence or brand advantages (Coelho, Bairrada & Coelho, 2019). Additionally, perceived quality is a significant predictor of consumer happiness, value, and loyalty, as are symbolic, hedonic, and aesthetic characteristics in product consumption. (Netemeyer et al., 2004) This indicated that brand innovation has a significant influence towards how a brand is perceived in the eyes of the consumers. Innovativeness must be reflected in the brand's experience and personality (Aaker, 1997). There are brand experience and brand personality indications that speak to the nature of innovation,

indicating that companies can innovate in order to influence the customer brand experience and brand personality.(Kunz et al., 2011; Moorman, 1995). Customers may then sense how these traits connect and match with who they are as individuals. Additionally, brand innovation may be experiential in nature, stimulating and enhancing customers' emotive, sensory, behavioural, and intellectual experiences. Additionally, because innovation strives to deliver extra benefits to clients, the end result will be a boost in perceived value (Moultrie, Clarkson & Probert, 2007). The key to developing a brand relationship with customers would be for the brand to be among the best in the market (Batra et al., 2012), which emphasizes the value of quality and how it has a significant influence on how consumers perceive a brand. Quality is also a determinant of consumer satisfaction (Lam, Ahearne, Mullins, Hayati & Schillewaert, 2012).

Living in Indonesia, we highly depend on motor vehicles to get around especially in Jakarta where the public transportation system isn't very developed yet to a stage where it is more convenient than driving by yourself. The car industry in Indonesia is a considerably massive and crucial industry with multiple name brand multinational companies owning and investing in factories here in Indonesia. The Indonesian retail market for cars are majorly dominated by a few big players such as Toyota, Honda and Mitsubishi. In such a tough market only a few are to hold their position and prevail. Each of these major players have their own strengths and weaknesses, taking every aspect into consideration and taking quality and specification out of account. To examine how branding and additional value have resulted in a competitive advantage over competitors.

The automotive industry has a significant impact on Indonesia for a significant number of reasons. Apart from allowing Indonesian people to buy and operate cars, the automotive sector plays a significant role in the Indonesian economy. Vice President at the time, Jusuf Kalla estimates that about 1,3 million Indonesians work in the automobile industry in 2015. They operate in a variety of sectors of the automotive industry both directly and indirectly, including assembly factories, the automotive component industry, showrooms, workshops, finance, and after-sales services. The automotive sector does not exist independently. Rather, it relies heavily on its industry partners. The expansion of the automotive industry stimulates the development of supporting sectors that provide materials for the industry. ("1.3 Million Indonesians Work in Automobile Industry – GAIKINDO", 2016) One such great example of would be Krakatau Nippon Steel Sumikin, a joint venture between Nippon Steel, Sumitomo Metal Corp and local company Krakatau Steel, the international businesses that provide raw materials for industry saw the potential in indonesia's booming automotive industry and invested by opening facilities in Indonesia. This investment of \$300m became beneficial as it would increase the supply capability for automotive flat steel products, Krakatau Nippon Steel Sumikin aims to boost its yearly production of anti-corrosion and high-strength steel for the automobile sector from 120,000 to 480,000 tonnes. ("Indonesia's auto sector expands on the back of local and international demand", 2018)

With the automotive sector playing such a significant role, the government recognizes its importance as one of the nation's primary industrial foundations.

Apart from manufacturing motor cars that meet people's mobility requirements, it is critical for creating employment for millions. ("1.3 Million Indonesians Work in Automobile Industry – GAIKINDO", 2016)

1.2 Research Questions

Based on the background provide above, the research questions will be the following:

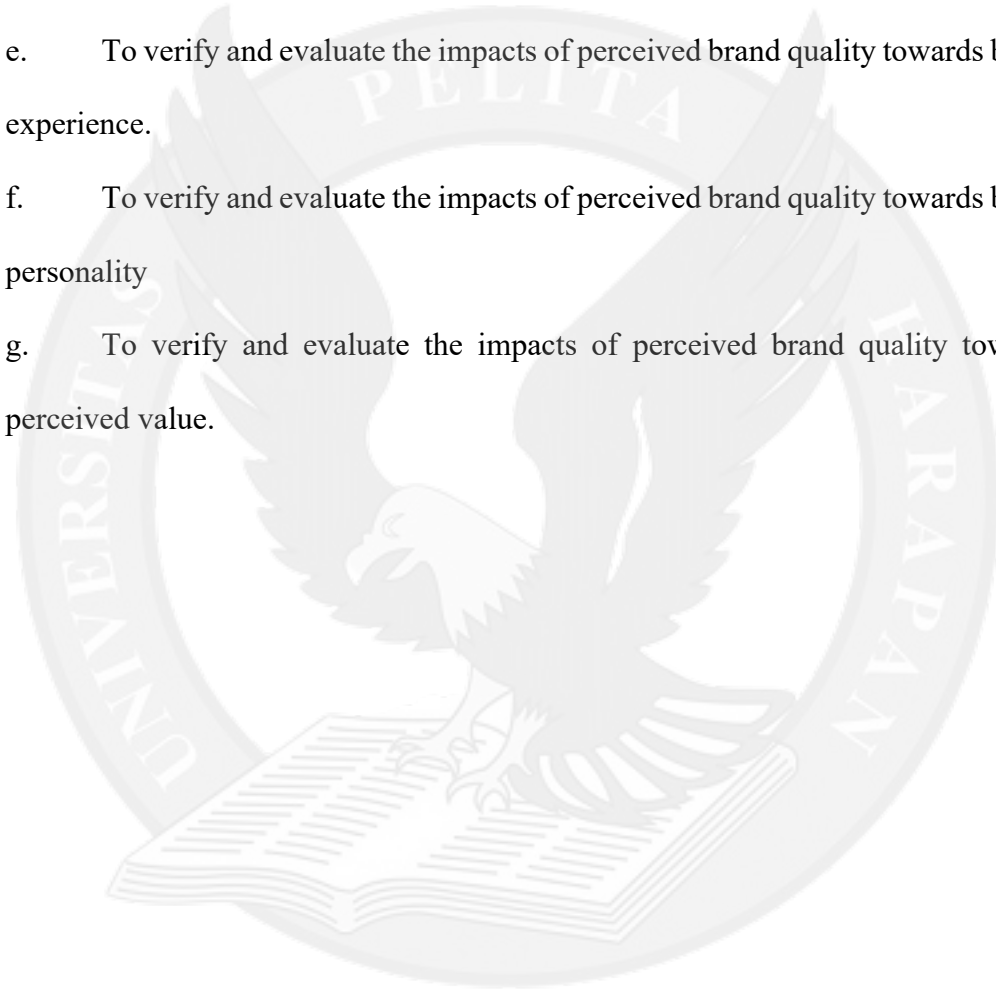
- a. Does brand innovativeness impact perceived brand quality?
- b. Does brand innovativeness impact perceived brand experience?
- c. Does brand innovativeness impact perceived brand personality?
- d. Does brand innovativeness impact perceived value?
- e. Does perceived brand quality impact brand experience?
- f. Does perceived brand quality impact brand personality?
- g. Does perceived brand quality impact perceived value?

1.3 Research Objective

The target of this study is to provide answers to issues that were identified in the previous study, which is based on the research questions that have been previously described above. As a result, the following are the research objectives:

- a. To verify and evaluate the impacts of brand innovativeness towards perceived brand quality
- b. To verify and evaluate the impacts of brand innovativeness towards perceived brand experience

- c. To verify and evaluate impacts of brand innovativeness towards perceived brand personality
- d. To verify and evaluate the impacts of brand innovativeness towards perceived value
- e. To verify and evaluate the impacts of perceived brand quality towards brand experience.
- f. To verify and evaluate the impacts of perceived brand quality towards brand personality
- g. To verify and evaluate the impacts of perceived brand quality towards perceived value.



1.4 Scope of Study

Due to the current situation in which the world is currently in, with the pandemic going, the limited time and resources available at my disposal. The time needed to complete this thesis will be about 4 months, which will allow for the collection of all of the essential data and analysis required to perform the study. The data would be based on the automobile users in the Indonesian market, An online questionnaire will be used to collect data. Journals, related websites, and other internet sources will provide supporting data.

1.5. Research outline

This thesis study research is divided into five chapters. The following methodologies are used to convey the discussion contents:

CHAPTER 1: INTRODUCTION

The first chapter discusses the background of the research, the research questions, the research aims and objectives, the research contributions, and the research constraints.

CHAPTER 2: LITERATURE REVIEW

In the second chapter of the study there are several ideas addressed and discussed in relation to the previous study that are important to the current investigation, concepts that are connected to the topic of interest, and hypotheses that are being tested in the research.

CHAPTER 3: RESEARCH DESIGN

Data collection method, research design, and pretest results will be discussed in this third chapter.

CHAPTER 4: RESULTS, ANALYSIS, AND DISCUSSION

The fourth chapter contains the results of the actual tests, as well as all of the research findings and a discussion of the hypotheses that were investigated in this study.

CHAPTER 5: CONCLUSIONS, RECOMMENDATIONS, LIMITATIONS

The fifth chapter contains the conclusion, which discusses the management implications of the findings, as well as recommendations for future study.

