Product Quality and Digital Marketing Analysis of Brand Equity through Brand Image of Mesran Super Lubricant Oil in Surabaya.

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ABSTRACT: The objectives of this study are: To analyze and determine the effect of Product Quality on Brand equity, To analyze and determine the effect of Digital marketing on Brand equity, To analyze and determine the effect of Product Quality on Brand equity through Brand image and to analyze and determine the effect of Digital marketing on Brand equity through Brand image The population of this study were customers of Mesran Super Lubricating Oil in Surabaya, with the number of samples in this study being 140 respondents (28 x 7). Data analysis was carried out using the Partial Least Square (PLS) method using SmartPLS version 3 software. Based on the test results using PLS analysis, to test the effect of several variables on Brand equity, the following conclusions can be drawn: Based on the test results, it shows that Product Quality has an effect on Brand equity, Based on the test results, it shows that Digital marketing has an effect on Brand equity, Based on the test results show that Product Quality has an effect on Brand equity through Brand image. Based on the test results, it shows that Digital marketing has an effect on Brand equity through Brand image.

KEYWORDS: Product Quality, Digital Marketing, Brand Equity, Brand Image.

I. INTRODUCTION

The development of the business world which is increasingly increasing has led to intense competition among various companies to be able to meet the needs and desires of consumers, especially companies that produce similar products (Sari and Nuvriasari 2018). Therefore, companies must follow developments and changes in all fields and analyze business strategies so that they can find out how far competitors have made developments and changes to their products.

Consumers in choosing a product brand will go through the trial stage first, at this stage consumers will often try different brands. If it is felt that the brand is suitable and fulfills what is expected from similar products, then consumers will continue to look for that brand. Brand or mark is a name, term, sign, design symbol, or a combination thereof that identifies a product or service produced by a company.

The lubricant industry is a strategic industry. The potential for the lubricant industry in Indonesia is growing rapidly along with the increasing demand and the number of motorized vehicles from year to year. The number of motorized vehicles in Indonesia will reach more than 133 million units in 2020. The data is summarized in the records of the Central Statistics Agency (BPS). The number of vehicles has increased by about five percent since two years ago. In 2020, the number of vehicles increased by 7,108,236 units, an increase of 5.3 percent to 133,617,012 units from the previous year's 126,508,776 units. The number of vehicles in 2019 rose 5.9 percent from 2018 of 118,922,708 units. This is due to the ease with which people buy motorbikes, because the down payment required is very cheap. Growth in the lubricants industry was also driven by developments in the industrial sector, which includes production and construction. Lubricants for vehicles and industrial machinery are very important. Machines used in motor vehicles and industry certainly require lubricants for protection. The increase in the number of vehicles as well as developments in the industrial sector will lead to the growth of the lubricants industry.

Table 1. Top Brand Index of Lubricant Oil for 2019 - 2021

BRAND	TBI 2019	*BRAND*	TBI 2020	*BRAND*	TBI 2021
Castrol	24.8%	Castrol	20.8%	Castrol	25.3%
Yamalube	19.3%	Yamalube	19.5%	Yamalube	17.9%
Federal	14.5%	Federal Oil	14.8%	Federal Oil	12.9%

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Super Mesran	7.4%	enduro	8.9%	enduro	6.8%
enduro	5.4%	Super Mesran	7.7%	Super Mesran	6.0%

Source: Top Brand index, 2022

Table above shows that there is a change in the index rating which indicates that consumers easily switch to other products. In addition to the satisfaction index, based on the results of the Top Brand survey conducted by frontier, mesran super showed a decline in performance again. Top brands are often known by consumers as superior or well-known brands which often occupy the top position in the minds of consumers. Mesran Super ranks second after Top 1 which is shown based on TBI results which have decreased compared to previous years.

II.   REVIEW OF LITERATURE

Product Quality are the hopes and dreams of all parties, so marketers before marketing their products must pay attention to the condition and appearance of the product that consumers will use. Quality is a product and service that goes through several stages of the process taking into account the value of a product and service without the slightest deficiency in the value of a product and service, and produces products and services according to high expectations from customers.

According to (Chaffey 2016) "Digital marketing is the application of the internet and related digital technologies in conjunction with traditional communications to achieve marketing objectives." This means that digital marketing is the application of the internet and is related to digital technology which is related to traditional communication to achieve marketing goals. This can be achieved by increasing knowledge about consumers such as profile, behavior, values, and loyalty levels, then integrating targeted communications and online services according to each individual's needs.

According to Keller brand image in (Widyastutir and Said 2017) "brand image is "a consumer's perception of a brand which is also a reflection of memories that can be described and related to" the brand. According to (Khuong and Tran 2018) Brand image is "a situation where consumers think and feel an attribute of a brand so that consumers can properly stimulate consumer purchase intentions and increase brand value".

Brand equity is the added value given to products and services which is reflected in the way consumers think, feel and act in relation to the brand, as well as the price, market share and profitability provided by the brand for the company (Kotler 2016). A good and innovative brand is able to provide added value and great benefits for producers and consumers. In fact, a brand is already considered as equity by a company or better known as brand equity (Kotler 2016).

III.   POPULATION AND SAMPLE

The population is a combination of all elements in the form of events, things or people who have similar characteristics which are the center of attention of a researcher because it is seen as a universe of research (Ferdinand 2006). The population of this study are customers of Mesran Super Lubricating Oil in Surabaya. According to the number of samples depends on the number of parameters estimated, the guidelines are 5-10 times the number of parameters estimated. Because in this study there were 28 indicators, the number of samples in this study was 28 x 7 = 140, so the sample used was 140 respondents.

IV.   RESEARCH METHODS

The type of research used in this research is quantitative, namely collecting, compiling, processing and analyzing data in the form of numbers which in practice are given certain treatments that are examined in it. According to quantitative research can be interpreted as a method based on the philosophy of positivism, used to examine certain populations or samples, sampling techniques are generally carried out randomly, data collection uses research instruments, data analysis is quantitative/statistical with the purpose of testing the hypotheses that have been set.

V.   HYPOTHESES

Based on the background, the formulation of the problem, research objectives, previous research and the theoretical basis used can be formulated as follows:

1. It is suspected that Product Quality has a positive effect on Brand equity
2. It is suspected that digital marketing has a positive effect on brand equity
3. It is suspected that Product Quality has a positive effect on Brand equity through Brand image
4. It is suspected that digital marketing has a positive effect on brand equity through brand image

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VI.   CONCEPTUAL MODEL
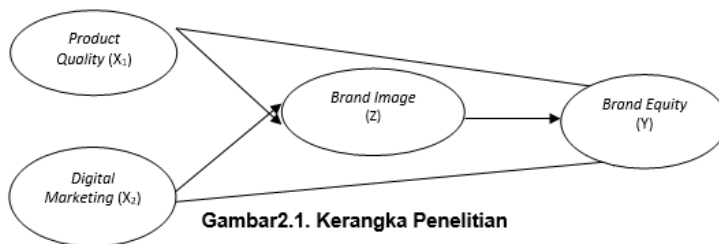
Gambar2.1. Kerangka Penelitian

VII.   DATA ANALYSIS RESULTS AND DISCUSSION
Outer Model

1.   Validity Test

The indicator has met convergent validity or good validity

Table 1. Average Variance Extracted (AVE)

	Average Variance Extracted (AVE)
Product Quality(X1)	0.766
Digital Marketing(X2)	0.667
Brand Equity (Y)	0.696
Brand Image(Z)	0.526

Source: Processed Data (2022)

The next measurement model is the Avarage Variance Extracted (AVE) value, which is the value indicating the magnitude of the indicator variance contained by the latent variable. The convergence of AVE values greater than 0.5 indicates good adequacy of validity for latent variables. On the reflective indicator variable it can be seen from the Avarage variance extracted (AVE) value for each construct (variable). A good model is required if the AVE value of each construct is greater than 0.5.

AVE test results for product quality variable (X1) of 0.766, digital marketing (Z2) of 0.667, brand image variable (Z) of 0.526, and brand equity (Y) of 0.696, these four variables show a value of more than 0.5, So overall the variables in this study can be said to have fulfilled discriminant validity or good validity.

2.   Reliability Test

*Composite reliability*is an index that indicates the extent to which a measuring device can be trusted to be relied upon. If a tool is used twice to measure the same symptoms and the measurement results obtained are relatively consistent, then the tool is reliable. In other words, reliability shows a consistency of measuring devices in the same symptoms. The full results can be seen in the following table.

Table 2. Data Reliability

	Cronbach's Alpha
Product Quality(X1)	0.811
Digital Marketing(X2)	0.757
Brand Equity (Y)	0.863
Brand Image(Z)	0.749

Source: Processed Data, 2022

Construct reliability is measured by the composite reliability value, the construct is reliable if the composite reliability value is above 0.70 then the indicator is called consistent in measuring its latent variables. The results of the Composite Reliability test show that the product quality variable (X1) is 0.811, digital marketing (X2) is 0.757, the brand image variable (Z) is 0.749, and brand equity (Y) is 0.863, the four variables show Composite Reliability values above 0 .70 so that it can be said that all variables in this study are reliable.

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Inner Model Testing

1. R Square

Testing of the inner model or structural model is carried out to see the relationship between variables, the significance value and the R-square of the research model. After knowing the significant relationship between variables. thus, it can be concluded the hypothesis for the problem of customer satisfaction. Hypothesis testing is done by bootstrap resampling method. The test statistic used is the t-test statistical test. Testing of the structural model is carried out by looking at the R-Square value which is a goodness-fit model test. Inner model testing can be seen from the R-square value on the equation between latent variables. As follows:

Table 3. R-Square

R Square		
	R Square	R Square Adjusted
BRAND EQUITY (Y)	0.323	0.308

Source: Processed Data, 2022

The R2 value of brand equity (Y) = 0.512, this can be interpreted that the contribution of the independent (exogenous) variable to the digital marketing variable with a variance of 51.2% while the remaining (100% - 51.2%) of 48.8% is explained by other variables.

2. Results of Inner Weights

a. Direct Influence

Table 4. Inner Weight

	Original sample(O)	sample Means (M)	*standard Deviation*(STDEV)	*T Statistics* (|O/STDEV|)	*P Values*
X1 -> Y	0.243	0.233	0.117	2,074	0.039
X2 -> Y	0.275	0.284	0.123	2,230	0.026

From the table above it can be concluded that the hypothesis:

1. Product quality(X1) has a positive effect on brand equity (Y) is acceptable, with a T-statistic value of 2.074 greater than the value of α = 0.05 (5%) = 1.96, and a p value of 0.039 less than 0.05, then significant (positive).
2. Digital marketing(X2) has a positive effect on brand equity (Y) is acceptable, with a T-statistic value of 2,230 greater than the value of α = 0.05 (5%) = 1.96, and a p value of 0.026 less than 0.05, then significant (positive).

b. Indirect Influence

Apart from the direct effect as in the hypothesis testing above, from this modeling it can be seen the total effect or indirect effect or indirect effect (through mediating variables), as shown in the following total effect table for hypothesis testing with mediating variables as follows:

Table 5. Total Effects (Mean, STDEV, T-Values)

	Original sample(O)	sample Means(M)	standard Deviation(STDEV)	T Statistics (|O/STDEV|)	P Values
X1 -> Z -> Y	0.289	0.291	0.128	2,857	0.004
X2 -> Z -> Y	0.285	0.286	0.125	2,874	0.001

Source: Processed Data, 2022

From the total effect table above it can be concluded that the hypothesis:

3. Product quality (X1) has a positive effect on brand equity (Y) through brand image (Z) as an acceptable mediating variable, with a T-statistic value of 2,857 greater than the value of α = 0.05 (5%) = 1.96 , with a value p value of 0.004 which is less than 0.05, then it is significant (positive).

4. Digital marketing(X2) has a positive effect on brand image (Y) through brand image (Z) as a mediating variable that is acceptable, with a T-statistic value of 2,874 greater than the value of α = 0.05 (5%) = 1.96 , with a value p value of 0.001 which is less than 0.05, then it is significant (positive).

EFFECT OF PRODUCT QUALITY ON BRAND EQUITY

Based on the results of the research that has been done, it is found that Product Quality has a positive effect on Brand equity, acceptable, with product performance indicators being the largest indicator influencing Product Quality. PT products Pertamina Lubricants, namely Mesran Super Lubricant contains special additives so that it has multigrade viscosity, making this lubricant easy to circulate. The engine is easy to start when the engine is cold and the temperature is low and still has a stable viscosity when operating at high temperature and speed, which makes the motor performance maximum. Mesran Super Lubricants are made from high quality mineral oil base oil. Contains detergent dispersant additives, anti-oxidation, anti-wear and has properties to protect and maintain piston cleanliness, prevent the formation of sludge (sludge deposits), able to reduce wear and tear on moving parts, especially on valves or valves. High-quality products are needed so that consumer desires can be fulfilled. Consumer desires that are fulfilled in accordance with their expectations will make consumers accept a product so that it will create brand equity.

The results of this study are in accordance with the opinion of (Kotler 2016) product quality is the superiority of a product in fulfilling the function of the product. Product quality is the value of the products produced and the quality of service that meets consumer expectations, where guaranteed product quality will increase brand equity. Consumers will of course choose good quality products to buy, so this requires companies to create good quality products and innovate old products so that they have even better quality to increase brand equity.

This research is in accordance with research conducted stated that quality has a direct influence on brand equity. Research conducted by (Loureiro 2013); (Muzaqqi, Fauzi, and Suyadi 2016); (Sukiarti, H, and Haryono 2016); (Nofriyanti 2017); (Hidayat and Martini 2019); (Pandiangan, Masiyono, and Dwi Atmogo 2021), showed results that perceived product quality has a positive and significant effect on brand equity.

The Influence of Digital Marketing on Brand Equity

Based on the results of the research that has been done, the results show that digital marketing has a positive effect on brand equity, acceptable, with the indicator of having a community on social media being the biggest indicator influencing digital marketing. The community has a fairly important role in increasing brand equity, with a group of trusted people, they can spread and increase your company's brand awareness to anyone they know. In addition, through the community, PT. Pertamina Lubricant can communicate regularly and intensively with customers. And when the communication is going well, customer trust will continue to increase and increase brand equity. Digital marketing as a forum for conveying information related to products so as to create strong brand equity to consumers. So, digital marketing Instagram that is good in terms of context, communication, and collaboration is able to form good brand equity.

The results of this study are in accordance with the opinion of (Kotler 2016) who describe social media marketing as digital marketing, which uses social media tools used by consumers to share information, images, sound and video with companies, and vice versa. From the description and general definitions above, it can be concluded that digital marketing is a marketing strategy carried out by companies using online social media tools to promote their products and service brands to increase brand equity.

The results of this research are in accordance with research conducted by (Ratana 2018) explaining the effect of digital marketing on brand equity, which shows that digital marketing has an influence on brand equity. According to Metta Ratana, the media has great power in influencing human views of the world through the content that is presented.

Effect of Product Quality on Brand Equity Through Brand Image

Based on the results of the research that has been carried out, it is found that Product Quality on Brand equity through Brand image is acceptable, with the indicator Mesran Super Lubricating Oil Product having functions and benefits which need not be doubted to be the indicator that has the biggest influence on Brand image. In this case PT. Pertamina Lubricant is not only able to provide various values or benefits to make customers choose brands, but the company must also continuously make various efforts to build the brand and improve brand image. Through good brand equity, it can generate emotional value in consumers, where positive feelings will arise when buying or using a brand, and vice versa if a brand has a bad image in the eyes of consumers.

The results of this study are in accordance with the opinion of (Kotler 2016) which states that brand equity is a requirement for a strong brand and image is a perception that is relatively consistent in the long term (enduring perception). So it is not easy

to form an image, so once it is formed it will be difficult to change it. The image formed must be clear and have advantages in terms of product quality when compared to its competitors.

The results of this study are in accordance with research conducted regarding the measurement of customer brand equity, concluded that one of the factors that influence brand equity is image or image. One of the brand attributes is the brand name. This brand name will later become an identity for the service brand that customers get, and become an image of the brand, which will ultimately make customers remember in their minds that the brand is right for them and will give them their own satisfaction when they get it.

The Influence of Digital Marketing on Brand Equity Through Brand Image

Based on the results of the research that has been carried out, the results show that digital marketing has an effect on brand equity through brand image. this shows that marketing through social media can provide information more quickly and easily to consumers about the products being sold so as to provide a positive brand image by increasing brand equity. Digital marketing as an online media marketing channel with various updates provided is able to increase, boost and even maintain the stability of a product's brand equity so that it continues to exist in the midst of intense product competition. The ease of digital marketing in interacting, communicating and accessing images and information helps products to be better known through their brand equity.

These results are in accordance with the opinion of (Sterne 2010), the use of digital marketing can help companies to see various opinions and analyze shifts in customer attitudes. This can provide insight to the company to be able to defend itself in the midst of market changes and the company's brand equity. This is also reinforced by explanation that digital marketing, almost of all types, is a good tool for building a brand. Through digital marketing, a company can increase consumer awareness about a product (top of mind awareness) and target more segmented targets through brands that have a positive image in the eyes of consumers. (Kaplan and Haenlein 2010) said that social media has an influence on the branding process.

These results are in accordance with research conducted by (Godey et al. 2016) stated that digital marketing has a significant positive effect on brand equity and on the two main dimensions of brand equity: brand awareness or recognition and brand image. The higher the role of social media, the brand equity will increase. With the increasing benefits of brand equity, companies have formed brand equity and how brands can be built through brand image with different marketing actions (Christodoulides & De Chernatony, 2015). Kim and Ko's research (2018) reveals that social media is an effective and positively influential marketing media activity related to future buying behavior or responses.

VIII.   CONCLUSIONS

Based on the test results using PLS analysis, to test the effect of several variables on brand equity, the following conclusions can be drawn:
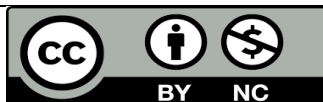1.   Based on the test results, it shows that Product Quality has an effect on Brand equity
2.   Based on the test results, it shows that Digital marketing has an effect on Brand equity
3.   Based on the test results, it shows that Product Quality affects Brand equity through Brand image
4.   Based on the test results, it shows that Digital marketing has an effect on Brand equity through Brand image

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