

BRAND AWARENESS MEASUREMENT OF KPR FLPP AMONG ITS TARGET MARKET IN JAKARTA

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Abstract

This paper discuss about the effectiveness of a marketing efforts done by a company through the brand awareness measurement. The brand is KPR FLPP, a mortgage designed for Indonesian with low income and the institution is Indonesian Ministry of Housing. The objective of this research is to measure the brand awareness of KPR FLPP among its target market in Jakarta, hopefully will be able to know why the sales in Jakarta are underperforming. The research involves management team from Indonesian Ministry of Housing and 400 people that can be considered as KPR FLPP's target market. Both descriptive and explorative study are used, the questionnaire result from explorative study will be analyzed by using SPSS statistic which is frequency analysis. At the end, a recommendation for future development will be given to Indonesian Ministry of Housing.

Keywords— Brand Awareness, Measurement, KPR FLPP, KPR Bersubsidi

Introduction

Shelter is one of the three basic needs of human being, aside from clothing and food. Currently, in Indonesia, there are still many people who still cannot enjoy the perks of having their own shelter/house. In Jakarta alone, there are approximately 28.364 people who do not have a home. Based on this unfortunate fact, Indonesian Ministry of Housing has a big mission to erase homelessness in Indonesia.

The latest effort from Indonesian Ministry of Housing is called KPR FLPP, which stands for Kredit Pembayaran Rumah Fasilitas Likuiditas

Pembiayaan Perumahan. As the name suggests, the new method took form of a mortgage. Using the mortgage system, the problem of money circulation previously faced by the two systems is gone. In a mortgage system, the money given back by applicants can be used again by Indonesian Ministry of Housing to fund other applicants, ensuring this method to work in the long run.

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The sales in Jakarta for the last 2 years have been dissappointing, due to that fact, a research of brand awareness is conducted. With the research, it is hoped that the cause of problems can be identified and the recommendations can be given.

The research question will ask 1) How many of the respondents in Jakarta are aware to the existence of KPR FLPP?, 2) How many of the respondents aware that KPR FLPP can help them to get a house with their current income, and can help them live a better life?, 3) How many of the respondents that are already aware about the existence of KPR FLPP will choose it rather than its competitors?, 4) What media that is already used by Indonesian Ministry of Housing that

gives the most exposure to the target market in Jakarta?

In this research, the scope of the research will be within the target market of KPR FLPP in Jakarta, which is employed people, from all professions whose income does not exceed 5.5 million Rupiah. The research is conducted in 2012 from May to August.

Literature Review

A. Brand

The technique branding has been around for many years as a means to differentiate the goods of one producer from other producers. In fact, the word *brand* is derived from the Old Norse word *brandr*, which means “to burn,” as brands were and still are the means by which owner of livestock mark their animals to identify those (Wiley, 1992)

According to the American Marketing Association (AMA), a *brand* is a “name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and the services or one seller or group of sellers and to differentiate them from those of competition” technically speaking, then, whenever a marketer creates a new name, logo or symbol for a new product, he or she has created a brand (Keller, 2008: 2)

B. Customer Based Brand Equity

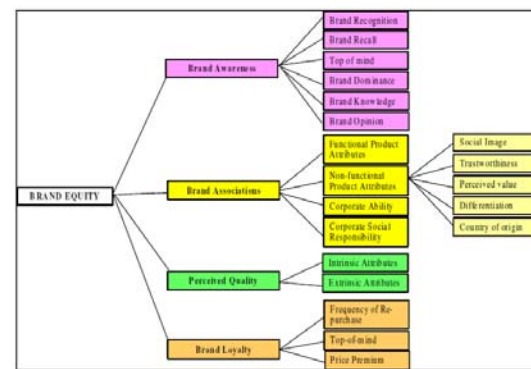
There are two principals that are known to be used by academics to study brand equity – financial and customer based. According to Farquhar (et al. 1991) & Simon and Sullivan (1990) as cited in (Yew Leh & Lee, 2011, the first principal of brand equity is from a financial market’s point of view where the asset value of a brand is appraised. The second one, customer-based brand equity, is a very different principal from the financial perspective. The basic premise of customer-based brand equity model is that the power of brand lies in what customers have learned, felt, seen, seen and heard about the brand as a result of their experiences over time (Keller, 2008: 48). Another way to put it simply is that the power of a brand depends on the perception of customers toward the brand.

Throughout the years, there are many sources about the elements of brand equity. One of the most well known elements of brand equity is made by Aaker (1991); whereas brand equity is reflected in the dimensions of brand awareness, brand associations, perceived quality, brand loyalty other proprietary.

Accordingly to the means and aims for this research, the researcher uses a framework for measuring the customer-based brand equity developed by (Yew Leh & Lee, 2011) which is based from the dimensions of brand equity by Aaker.

C. Framework for Measuring Customer Based Brand Equity

Here is the framework developed by (Yew Leh & Lee, 2011) that is going to be used in this research



Even though there are four dimensions in the customer-based brand equity framework above, only one of them will be discussed further in this research, which is Brand Awareness. The reason of why only brand awareness is the one that is discussed more is because the aim of this research is to measure the brand awareness of KPR FLPP. So, among the four dimensions provided by the customer-based brand equity above, only the brand awareness is used.

D. Brand Awareness

Brand awareness is an important aspect that is able to be found in all brand equity models. According to Keller (2003: 76) as cited in (Yew Leh & Lee, 2011) brand awareness as the customers’ ability to recall and recognize the brand as reflected by their ability to identify the brand under different conditions and to link the brand name, logo, symbol and so forth to certain

associations in memory. Recalling and recognizing, though is a basic level of awareness, there are higher levels of awareness such as top-of-mind, brand dominance, brand knowledge and brand opinion.

For the newer brand, brand recognition is the most important one. On the other hand, for the well known and famous brand what's important is brand recall and top-of-mind. Brand knowledge and brand opinion can support and enhance the quality of brand recall. The elements in brand awareness are all interconnected and support each other for the measurement of brand awareness.

E. KPR FLPP

KPR FLPP is a mortgage program, designed by Indonesian Ministry of Housing for Indonesian people who can be considered as a low income civilian. To be classified as a low income civilian, one's paycheck must not exceed 5, 5 million. Here are the terms and details of KPR FLPP:

1. Only Indonesian that is classified as MBR (Masyarakat Berpenghasilan Rendah / Low Income Civilian) that can apply for KPR FLPP. The definition of MBR in this context is civilian whose monthly income is at maximum of 5.5 million Rupiah.
2. There is a range of price for the house price to apply as well. The range is set accordingly to the location since land and house price in Indonesian cities are different. Generally, the maximum price of the houses is set at 88 million to 145 million.
3. The interest offered by KPR FLPP is fixed 7, 25% monthly until the payment is complete. This condition makes the applicants able to control their outcome and financial condition in a better way. If compared to the mortgage offered by other banks, the number 7, 25% is very small. The maximum period of payment for this mortgage program is 20 years.
4. Due to its nature as a mortgage, Indonesian Ministry of Housing has to

cooperate with banks to promote and use banks as media/channel between customers and KPR FLPP. So far, Indonesian Ministry of Housing have cooperate with 4 state owned banks (Bank Mandiri, Bank BTN, Bank BNI and Bank BRI), 2 syariah banks (Bank BTN Syariah and Bank BRI Syariah) and 13 Bank Pembangunan Daerah.

Methodology

There are 2 methods that are done in order to conduct the research, the first one is explorative research and the second one is descriptive research.

F. Explorative Research

Explorative research serves as a pre-research routine or the first step in data collecting, where the researcher is looking for a qualitative data. In this qualitative research, there are 3 main steps that will be done by the researcher, the steps, in particular order, are literature study, in-depth interview and variable identification. Both literature study and in-depth interview are conducted in order to be able to identify variables that will be used for the further steps.

The literature study is conducted through the search of secondary data such as books and journals. For this research, the researcher specifically searches for books and journals that give deep insight about brand and the elements surrounding it.

As for the in-depth interview, it is done to the marketing executive in Indonesian Ministry of Housing that is responsible for the marketing programs of KPR FLPP. The aim of the interview is to know in detail about the marketing programs of KPR FLPP, what kinds of advertising media that it used their opinion about the awareness of this brand and their future plans for KPR FLPP. Another aim for in-depth interview is also assess the marketing activities of KPR FLPP and hopefully the researcher will be able to find conclusion and give additional recommendation.

After collecting enough secondary data, then variables can be identified. The variables are important because by using it, the next step of this research which is quantitative research can

be done. Each of the variables will become the basis of the questions in the questionnaire.

G. Descriptive Research

In this research, descriptive research is the second step of data collecting. The main aim of this step is to get a quantitative data, which in the end can be used as the answer to the research question. The chosen method for this descriptive research is by spreading out questionnaires.

In creating questionnaire, variables are crucial. The variables that had been identified during explorative research can be seen here.

Literature Study Result		In-Depth Interview Result	
Brand Recall	X 1	Use of Media - Partnering Banks	X 6
Brand Recognition	X 2	Use of Media - Television	X 7
Top-of-Mind	X 3	Use of Media - Billboard	X 8
Brand Dominance	X 4	Use of Media - Word of Mouth	X 9
Brand Knowledge	X 5		

In the questionnaire, the word KPR FLPP is substituted with KPR Bersubsidi. The questionnaire is distributed to 400 respondents, calculated with Slovin Theory, with error tolerance of 5% and confidence level of 95%. The respondents are the target market of KPR FLPP, which are people with all profession whose monthly income did not exceed 5.5 million Rupiah.

H. Data Analysis

This research uses reliability analysis, validity analysis and frequency analysis. The in-depth interview result will also be analysed, the

relevant answer regarding the marketing efforts will be analyzed as well.

Conclusion

The last step is making conclusions in accordance to the analysis result.

Results and Discussion

I. Respondent Profile

Generally, the respondents for this research is male, whose age belongs to the age group of 26-30, have a monthly income of Rp 1.500.000 to Rp 3.000.000 and most of them is already married with at least 1 person who is under their responsibility. The majority of the respondents did not have a private house; most of them lived in a rented house or with their parents.

There are few things that need to be noted, the last 3 questions in the questionnaire. The first question in the 3 is “Do you think that shelter is a primary needs?” 99% of the respondents answered with a yes, so there is no need for Indonesian Ministry of Housing to raise the issue of shelter importance. The second question in the 3 is “With your current condition, do you want a private house?”, 97% of the respondents answered with a yes, this is important because because there is no need to also doing a further advertisement, if the respondents want a house, they will at least try to find informations regarding it. The last question in the 3 is “Do you know about Indonesian Ministry of Housing programs to help Indonesian have a better housing?” 78% of the respondents answered with yes, this means that the programs of Indonesian Ministry of Housing already well known by the respondents, so they have an initial awareness.

J. Frequency Analysis Result

Variable	Mean
Brand Recall	3.89
Brand Recognition	3.61
Top of Mind	3.51
Brand Dominance	3.43
Brand Knowledge	3.32
Brand Knowledge – 2	3.67
Use of Media – Partnering Banks	3.48
Use of Media – Television	2.94
Use of Media – Billboard	2.66
Use of Media – Word of Mouth	3.24

The table above shows the result of frequency analysis, here are the breakdown of informations:

1. In the brand recognition variable, the mean is 3.89. The number indicates that the respondents in Jakarta have been able to recognize KPR FLPP with limited information given.
2. In the brand recall variable, the mean is 3.61. The number indicates that the respondents in Jakarta see KPR FLPP as a mortgage product worth considering when they want to purchase a house through mortgage.
3. In the top of mind variable, the mean is 3.51. The number indicates that the respondents in Jakarta already have KPR FLPP in their mind when they think about mortgage product and this also indicates that KPR FLPP have already become a top of mind in their target market's mind.
4. In the brand dominance variable, the mean is 3.43. The number indicates that the respondents in Jakarta already think that KPR FLPP is already a market leader in the product category of mortgage.
5. In the brand knowledge variable, the mean is 3.32. The number indicates that the respondents in Jakarta are not fully aware yet about the existence of logo, symbol and name from KPR FLPP. It also indicates that the respondents are not sure on how the logo, symbol and name for KPR FLPP can remind them of a mortgage product released by Indonesian Ministry of Housing.
6. In the second brand knowledge variable, the mean is 3.67. The number indicates that the respondents in Jakarta have the necessary knowledge to purchase the product.
7. In the Media – Partnering Banks variable, the mean is 3.48. The number indicates that the respondents in Jakarta know about KPR FLPP from the promotions conducted in the partnering banks of Indonesian Ministry of Housing.
8. In the Media – Television variable, the mean is 2.94. The number indicates that the respondents in Jakarta are not sure about whether yes or not they have seen the Television advertisement of KPR FLPP.
9. In the Media – Billboard variable, the mean is 2.66. The number indicates that the respondents in Jakarta are not sure whether yes or not they have seen the Billboard advertisement of KPR FLPP.
10. In the media – Word of Mouth variable, the mean is 3.24. The number indicates that the respondents in Jakarta know about KPR FLPP from the spreading of word of mouth from friend and relatives.
11. From the first 6 variables, the overall mean score of brand awareness can be calculated, the number averages into 3.57. Yes, the number fits into the “agree bar” in which it indicates that the respondents have a positive reaction towards the statements, but, the

researcher thinks that KPR FLPP could use some improvement in its branding and marketing efforts to make the brand spread even more.

K. In-Depth Interview Result

From the interview, it could be concluded that there are some unusual things in the marketing program of KPR FLPP that affect their performance now and possibly in the future:

1. Indonesian Ministry of Housing did not have a specially designed marketing programs or campaigns in order to do the campaign more effectively. They did a global campaign to all of Indonesia, while did not evaluate which cities are the most profitable ones.
2. There are no long term branding and marketing efforts, yet, proved significantly by the no existense of simple and basic marketing kits such as logo and tagline.

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