Strategy to Increase Customer's Purchase Intention on Garuda Indonesia's International Flights Based on Brand Equity Factors

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Abstract. *Garuda Indonesia has become one of the strongest airline brand in the world. However, with the very intense competition between competitors in international flights airlines, brand has an important role in customer's purchase intention. Therefore, Garuda Indonesia needs a strong brand equity strategy to increase customers' purchase intention for its international flights. To create such strategy, this research examines the impact of Customer Based Brand Equity (CBBE) factors on customer's Purchase Intention. Importance-Performance Analysis method is also used to obtain action items along with the execution priority of each action items. The research outcome can become a brand equity strategy for Garuda Indonesia in increasing customers' purchase intention, so that they can compete with other international airlines' brand that operates in Indonesia.*

Keywords: *Brand equity, customer based brand equity, importance-performance analysis, purchase intention, structural equation modeling*

Abstrak. *Garuda Indonesia merupakan salah satu maskapai penerbangan dengan merek yang kuat di dunia. Namun, dengan kompetisi yang semakin ketat antar maskapai penerbangan internasional, peran merek sangat berpengaruh terhadap niat beli pelanggan. Maka dari itu, Garuda Indonesia membutuhkan strategi ekuitas merek yang kuat untuk meningkatkan Purchase Intention pelanggan untuk penerbangan internasional. Dalam pembuatan strategi tersebut, diteliti pengaruh faktor-faktor Customer Based Brand Equity (CBBE) terhadap Purchase Intention pelanggan. Selain itu, digunakan Importance-Performance Analysis untuk mendapatkan action items beserta prioritas pelaksanaan untuk setiap action items. Hasil penelitian ini merupakan strategi ekuitas merek bagi Garuda Indonesia guna meningkatkan Purchase Intention pelanggan, sehingga dapat bersaing dengan merek maskapai penerbangan internasional lainnya yang beroperasi di Indonesia.*

Kata kunci: *Customer based brand equity, ekuitas merek, purchase intention, structural equation modeling, importance-performance analysis*

Introduction

The airline business in Indonesia is experiencing a very tight competition along with the increasing level of mobilization. We can see from Table 1 that currently, there are various international-flight airlines offering high quality services, in order to compete in World's Top Airlines. This makes the competition among airline services become increasingly tight, considering that Skytrax World Airline Awards has been global benchmark for airline excellence (Passengers Choice Awards).

In addition, consumers as decision makers are also becoming more selective in deciding airline service for their international flights. Airline companies compete not only in terms of products or services offered, but also in accentuating their brand. Companies are now competing with each other to attract customers through their respective airline brand in order to inform and suggest consumers to keep buying and using their services. Therefore, a strong brand equity becomes important in the airline industry. Brand equity is an intangible asset in which there are psychological and financial value for the company (Kotler & Keller, 2008).
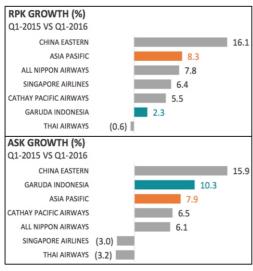
Table 1.
World's Top 10 Airlines

Rank	Airlines			
	2013	2014	2015	2016
1	Emirates	Cathay Pacific	Qatar Airways	Emirates
2	Qatar Airways	Qatar Airways	Singapore Airlines	Qatar Airways
3	Singapore Airlines	Singapore Airlines	Cathay Pacific	Singapore Airlines
4	ANAs	Emirates	Turkish Airlines	Cathay Pacific
5	Asiana Airlines	Turkish Airlines	Emirates	ANAs
6	Cathay Pacific	ANAs	Etihad Airways	Etihad Airways
7	Etihad Airways	Garuda Indonesia	ANAs	Turkish Airlines
8	Garuda Indonesia	Asiana Airlines	Garuda Indonesia	EVA Air
9	Turkish Airlines	Etihad Airways	EVA Air	Qantas Airways
10	Qantas Airways	Lufthansa	Qantas Airways	Lufthansa

A strong brand equity is proved by the achievement in the future where consumers will know the product and feel closer naturally. To achieve this, companies need to understand the meaning of the brand through the customer's viewpoint, called Customer-Based Brand Equity (CBBE) (Taskin & Akat, 2010). With a strong brand equity, the attractiveness of the product or service will be stronger in the eyes of consumers, so that it can lead them to the purchase of product or service offered. PT. Garuda Indonesia Tbk. has been a pioneer of airline in Indonesia since 1949. Garuda Indonesia is also the only airline which has strong financial support from the Indonesian government. In addition Garuda Indonesia has became the first Indonesian airline to join SkyTeam since 2004.

SkyTeam is an alliance consisting of various major airlines in the world. Together with the SkyTeam alliance, Garuda Indonesia is connected to more than 1,000 city destinations across the world. Beside gaining greater access, Garuda Indonesia is also benefited by flight frequency and route connectivity increases, making it easier for people to travel internationally with them. With their increased routes, especially on international routes, Garuda Indonesia has high potential to strengthen its existence in international flights.

However, Garuda Indonesia arline apparently only controls 26% of the market share in Indonesia for the international flights in 2016, where they experienced a market share decline of 2% over the previous year. While the other 74% is dominated by other airline brands operating in Indonesia. (Corporate Presentation Garuda Indonesia, 2016). This is due to the tight competition between airlines for international flights, where each have strong business strategy, which makes customers become more selective in choosing the airline. One of the strategy that is believed to strongly attracts customers is by strengthening the company's brand equity.

Based on performance data for international airlines in Figure 1, it can be seen that Garuda Indonesia has their ASK (Available Seat Kilometres) growth of 10.3%, which is a measure of passenger capacity of the airline (supply). Meanwhile, their RPK (Revenue Passenger Kilometres) growth, which is a measure of demand of the airline, is only 2.3% (Corporate Presentation Garuda Indonesia, 2016). It can be concluded that the demand on Garuda Indonesia for international flights is still very poor and potentially suffer losses because it is not balanced with its supply. This supports the previous data regarding Garuda Indonesia's international flights market share, which is still not optimal.

Source: Corporate Presentation Garuda Indonesia, 2016

Figure 1. International Airlines Performance

To face the tight competition, Garuda Indonesia must have a strong brand strategy to improve their service purchases by customers. Therefore, it is necessary to find out how brand equity factors influence customer's purchase intention in choosing Garuda Indonesia for their international flights. According to Belch (2004), purchase intention is a tendency to buy a brand, and generally based on the correspondence between purchase motives with attributes or characteristics of a brand that can be considered. If the customer has a good experience with a brand, that experience will encourage customers to continue using the service and influence their purchase intention.

Therefore, this study aims to investigate the effects of brand equity on the customers' purchase intention of Garuda Indonesia's international flights. By knowing the influence of the four factors of Customer Based Brand Equity have on customers' purchase intention, we can evaluate and make execution priority of Garuda Indonesia's brand strategies. Therefore, Garuda Indonesia can excel in competition with other international airlines operating in Indonesia.

Brand Equity
Brand equity is an intangible asset in which there are psychological and financial value for the company (Kotler & Keller, 2008). According to Aaker (1991), brand equity has important roles that can be seen both from the customer and the company sides. In general, when seen from the side of the customer, brand equity can increase or decrease the value perceived by the customer. Therefore, brand equity is strongly related to customer's purchase intention.

Brand equity can also provide additional value that leads to increasing customers' confidence in making purchasing decisions. That value is derived from customer's experience in using the product/service and their knowledge in the characteristics of products/services.

Therefore, companies must understand the meaning of the brand through the customer's viewpoint, called Customer-Based Brand Equity (CBBE) (Taskin & Akat, 2010). Aaker (1991, 1996) in (Majid, Alias, Samsudin, & Chick, 2016) states that CBBE measurement is based on four dimensions, which are :

1. Brand Awareness (customer's level of awareness towards certain brand)
2. Brand Association (impression/image that comes to customer's mind about certain brand)
3. Perceived Quality (overall quality of a brand that is perceived by customers)
4. Brand Loyalty (level of customer's loyalty towards certain brand)

Brand Awareness and Brand Association
Brand awareness is the ability of a customer to remember a brand or its particular advertisement spontaneously or after being stimulated with keywords (Rangkuti, 2004). If customers have a higher ability to remember a brand, they tend to have higher knowledge on the image associated with that brand, defined as brand association (Zinnbauer & Bakay (2004). The brand association becomes stronger when it is based on many experiences or exposures (Aaker, 1991) by which consumers get to remember the brand of products or services easily. Therefore, it can be concluded that brand awareness affects the formation and strength of the brand association because the formation of brand image starts with the impression of the brand that is formed in the memory, and how easy various kinds of information can be absorbed by the memory as the association of the brand.

From these ideas, we can say that brand association might be influenced by brand awareness in the international airline industry in Indonesia. Therefore, the first hypothesis (H1) is formulated as follows:

H1: Brand Awareness will have positive effect on Brand Association

Brand Awareness and Perceived Quality
According to Aaker (1997), perceived quality or impression of quality is customer's assessment of the overall quality or excellence of a product or service associated with the expected intentions. Brand reputation is an indirect indicator of product quality (Allison Uhl, 1964; Freidman Dipple, 1978). Therefore, we can assume that perceived quality of products or services is influenced by brand reputation which links directly to brand awareness. In other words, high brand awareness reflects customers' familiarity with products or services, thus increasing the perceived quality. Based on this idea, the second hypothesis (H2) is formed as follows:

H2: Brand Awareness will have positive effect on Perceived Quality

Brand Awareness and Purchase Intention
Brand awareness is described as to what extent it can identify the brand, as well it will increase the familiarity and commitment to be considered by customers. Thus, brand awareness is important at the point of purchasing. According to Keller (2003), brand awareness plays an important role in customer's purchase decision by bringing three advantages; these are learning advantages, consideration advantages, and choice advantages. It can be assumed that brand awareness might have influence on purchase intention directly and indirectly (mediated through brand association and perceived quality). Therefore, H3, H4 and H5 are as follows:

H3 : Brand Awareness will have positive effect on Purchase Intention

H4 : Brand Awareness will have positive effect on Purchase Intention mediated through Brand Association

H5 : Brand Awareness will have positive effect on Purchase Intention mediated through Perceived Quality

Brand Association and Brand Loyalty
Brand association according to Aaker (1996) is a image reflection of a brand towards certain impressions in relation to habits, lifestyle, benefits, product attributes, geographic, prices, competitors, celebrities and others. Customers having more brand association would have more brand loyalty Zinnbauer and Bakay (2004) also found that brand association has a positive impact on brand loyalty. In relation to airlines, Park, Robertson, and Wu (2004) stated that when customers have a positive brand association with an airline, they will be more likely to retake this airline brand or recommend this brand to others. Based on this idea, the sixth hypothesis is as follows:

H6: Brand Association will have positive effect on Brand Loyalty

Brand Association and Purchase Intention
Aaker (1991) has listed benefits of brand associations as follows: helping to process/retrieve information, differentiating the brand, generating a reason to buy, creating positive attitudes/feelings, and providing a basis for extensions. If a person going to purchase a product or a service, it need to be match with that persons brand association, or what is in the mind of consumers mind regarding the brand. Brand associations represent basis for purchase decisions and also create value to the firm and its customers. Thus, it can be assumed that brand association might have influence on purchase intention directly and indirectly (mediated through brand brand loyalty). Therefore, H7 and H8 are as follows:

H7: Brand Association will have positive effect on Purchase Intention

H8: Brand Association will have positive effect on Purchase Intention mediated through Brand Loyalty

Perceived Quality and Brand Association
According to Richardson *et al.* (1994), consumers associate a product's brand image when making perceptions of the product. Perceived quality has a positive and key impact on brand association (Park *et al.*, 2004; Aydin & Ozer, 2005).

In other words, consumers expect higher perceived quality with products or services having higher brand association. Based on these ideas, the ninth hypothesis (H9) is as follows:

Perceived Quality and Brand Association
According to Richardson*,* Dick, and Jain (1994), consumers associate a product's brand image when making perceptions of the product. Perceived quality has a positive and key impact on brand association (Park *et al.*, 2004; Aydin & Ozer, 2005). In other words, consumers expect higher perceived quality with products or services having higher brand association. Based on these ideas, the ninth hypothesis (H9) is as follows:

H9: Perceived Quality will have positive effect on Brand Association

Perceived Quality and Brand Loyalty
According to Aaker in (Arianis, 2010), brand loyalty reflects the strength of customer's relationship with the brand. This strength reflects the idea of whether or not a customer might switch to another brand, as well as to recommend the brand to others. Perceived service quality is needed for forming customer loyalty (Aydin & Ozer, 2005). In line with their idea, Jones et al. (2002) point out that the quality perceived from products or services has a positive impact on recommendations for those products or services. Therefore, it can be assumed that perceived quality plays an important role on increasing brand loyalty. Based on this idea, the tenth hypothesis (H10) is formulated as follows:

H10: Perceived Quality will have positive effect on Brand Loyalty

Perceived Quality and Purchase Intention
Similar to brand associations, perceived quality also provides value to consumers by providing them with a reason to buy a product or service at different prices, and by differentiating the brand from competing brands. According to Gunawardane (2015), perceived quality has benefits to increase the purchase rate or purchase intention of a or service to inculcate the perceived quality to consumer minds.

Therefore, it can be assumed that perceived quality might have influence on purchase intention directly and indirectly (mediated through brand brand association and brand loyalty). The hypothesis H11, H12, and H13 are as follows:

H11: *Perceived Quality will have positive effect on Purchase Intention*

H12: *Perceived Quality will have positive effect on Purchase Intention mediated through Brand Association*

H13: *Perceived Quality will have positive effect on Purchase Intention mediated through Brand Loyalty*

Brand Loyalty and Purchase Intention
According to Lau and Lee (1999), brand loyalty is described as customer's intention to purchase a product or service from a particular brand, as well as recommending the brand to others. Jalilvand, Samiei, and Mahdavinia (2011) also stated that while the definitions of brand loyalty based on the attitudinal perspective emphasized consumer intentions to be loyal to the brand, the definitions based on a behavioral perspective accentuated consumer's actual loyalty to the brand as reflected in purchase intention. Thus, it can be concluded that brand loyalty plays an important role on increasing purchase intention. Therefore, the last hypothesis is formed as follows:

H14: *Brand Loyalty will have positive effect on Purchase Intention*

Research Methodology

In this research, questionnaire was made using structured questions. The questionnaire consisted of multiple-choice and scaled-response questions using five-points likert scale. Pilot test were conducted to 35 respondents in order to test, evaluate, and adjust the questions before widely distributing the questionnaire. After the pilot test, the questionnaires were distributed from October 17th to November 7th 2016.

The questionnaires were distributed both directly and online assisted by Google Form. This resulted in the collection of 339 valid respondents that have used Garuda Indonesia service for their international flights more than 1 time (2 times at the least), within the last 3 years (2013-2016). The questionnaire used a 5-point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Undecided/Neutral, 4 = Agree, 5 = Strongly Agree).

Structural Equation Modeling (SEM)
This study uses a model based on the hypothesis on previous section. This model is a combination of a model used by Choe and Zhao (2013) and a model used by Gunawardane (2015). Based on the two models, a combined model which shows the relationships between the four brand equity factors with purchase intention, as well as the internal relationship between brand equity factors is used for this study. The research model used in this study is as followed (Figure 2):
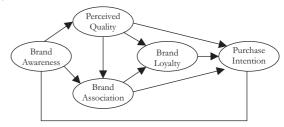

Figure 2. Research Model

The model was then tested using Structural Equation Modeling (SEM). The Maximum Likelihood (ML) estimator is used as for estimating the variables and components involved in this study. This estimator is based on a normally distributed data. Therefore, the normality test is performed using SPSS 23 to view the skewness and kurtosis level of each variable. According to George and Mallery (2010), the limit value for skewness and kurtosis between -2 and +2 is considered acceptable to prove the normally distributed univariate data. On the normality test using SPSS 23, it is found that all the research data has been normally distributed so that further analysis can be done using AMOS 22 to test the measurement model and the structural model. Figure 3 shows the path diagram created using AMOS 22.

After making the path diagram, a model identifcation is conducted to know the degree of freedom. The model identification results in Table 2 shows that the model has the degree of freedom > 0, thus the analysis can be continued (Arbuckle, 2009).

The analysis is then continued by seeing the results of the measurement model fit test (Table 3). The test results of measurement model fit still indicate 6 bad fit, 7 marginal fit, and 3 good fit. Thus, model respecification is needed to improve the model fit.

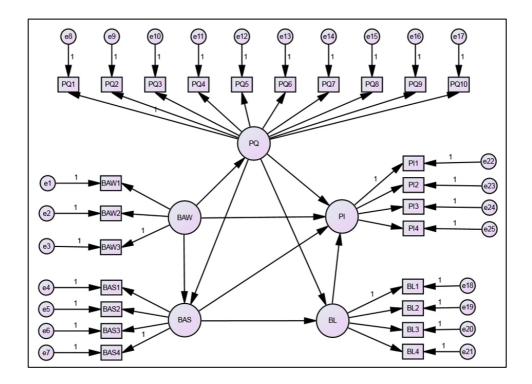*Figure 3.* Path Diagram for Research Model

Table 2.
SEM Model Identification

Parameter	Result
Number of Distinct Sample Moments	325
Number of Distinct Parameters to be Estimated	59
Degrees of Freedom	**325-59 = 266**

The results of the measurement model fit test can be seen in Table 3.

Table 3.
Measurement Model Goodness of Fit Test

Goodness of Fit Measurement	Requirements	Result	Conclusion
Chi-Square	Small Value	834.843	Bad Fit
p-value	p > 0.05	0.000	
Default Model CMIN		834.843	
Saturated Model CMIN	Sat.<Def.<Ind.	0.000	Good Fit
Independence Model CMIN		4989.278	
CMIN/DF	. . . .	3.127	Bad Fit
Goodness of Fit Index (GFI)	. . . .	0.829	Marginal Fit
Adjusted Goodness of Fit Index (AGFI)	Near 1 (AGFI ≥ 0.9)	0.792	Marginal Fit
Standardize Root Mean Square Residuan (RMR)	RMR ≤ 0.05	0.47	Good Fit
Normed Fit Index (NFI)	NFI ≥ 0.9	0.833	Marginal Fit
Relative Fit Index (RFI)	RFI ≥ 0.9	0.812	Marginal Fit
Incremental Fit Index (IFI)	IFI ≥ 0.9	0.880	Marginal Fit
Tucker Lewis Index(TLI)	TLI ≥ 0.9	0.864	Marginal Fit
Comparative Fit Index (CFI)	CFI ≥ 0.9	0.879	Marginal Fit
Root Mean Square Error of Approximation (RMSEA)	RMSEA ≤ 0.05	0.079	Bad Fit
Default Model AIC		950.843	
Saturated Model AIC	Def.<Sat.&Ind.	650.000	Bad Fit
Independence Model AIC		5039.278	
Default Model CAIC		1250.751	
Saturated Model CAIC	Def.<Sat.&Ind.	2218.45	Good Fit
Independence Model CAIC		5159.928	
Default Model ECVI		2.813	
Saturated Model ECVI	Def.<Sat.&Ind.	1.923	Bad Fit
Independence ModelECVI		14.909	
HOELTER	HOELTER > 200	124 (sig. 0.05) 132 (sig. 0.01)	Bad Fit

The model respecification is done to inrease the model fit towards the data. Respecification is done by connecting covariances between error variables in both dependent and independent variable based on Modification Indices value generated in AMOS 22 output. According to Rozeboom (1966), there will always be correlations between error variables, both in independent variables and dependent variable.

It is when some questions are given at the same time, where an error for one question item will affects positively on other error item. The path diagram with the addition of Modification Indices from the AMOS 22 output is as followed in Figure 4.
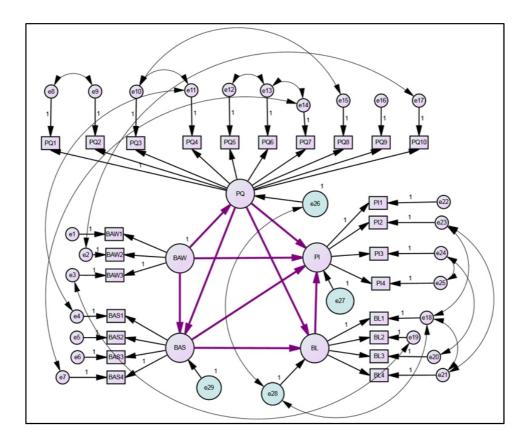
Figure 4. Path Diagram of Respesification Model

The covariance connecttions between error variables is done by connecting error variables which have Modification Indices value > 10. This indicates that the relationship between the two error variables is strong enough and will increase the compatibility level of overall model if connected. Followed are the covariance connections that are done in the respecification process (Table 4) :

Table 4.

Covariances Connections

No. Error		No. Error	Modification Indices
e24	<-->	e25	56.159
e21	<-->	e23	28.473
e20	<-->	e24	13.757
e18	<-->	e23	34.317
e18	<-->	e21	19.181
e14	<-->	e7	15.927
e13	<-->	e14	24.999
e12	<-->	e13	36.18
e10	<-->	e11	19.085
e8	<-->	e9	13.696
e10	<-->	e15	14.932
e11	<-->	e4	13.429
e3	<-->	e19	12.158
e26	<-->	e28	13.929
e18	<-->	e28	13.245

'The covariance connections in respecification model resulted in different degree of freedom as the previous model. Therefore, model identification of the respecification model is needed. The model identification results in Table 5 shows that the respecification model has the degree of freedom > 0, thus the analysis can be continued (Arbuckle, 2009).

After doing model respecification, a model fit test is reconducted for the modified structural model to see the Goodness of Fit (GOF) between the data and the model. The model fit test will show whether or not the SEM model used in this study capable of describing the investigated situation. The result of the respecification model fit test is summarized in Table 6 :

Table 5.

Model Identification of Respecification Model

Parameter	Result
Number of Distinct Sample Moments	325
Number of Distinct Parameters to be Estimated	74
Degrees of Freedom	**325-74 = 251**

Table 6.

Model Fit Test for Respecification Model

Goodness of Fit Measurement	Requirements	Result	Conclusion
Chi-Square	Small Value	444.993	Bad Fit
p-value	p > 0.05	0.000	
Default Model CMIN		444.993	
Saturated Model CMIN	Sat.<Def.<Ind.	0.000	Good Fit
Independence Model CMIN		4989.278	
CMIN/DF	CMIN/DF ≤ 2	1.773	Good Fit
Goodness of Fit Index (GFI)	Near 1 (GFI ≥ 0.9)	0.905	Good Fit
Adjusted Goodness of Fit Index (AGFI)	Near 1 (AGFI ≥ 0.9)	0.877	Marginal Fit
Standardize Root Mean Square Residuan (RMR)	RMR ≤ 0.05	0.043	Good Fit
Normed Fit Index (NFI)	NFI ≥ 0.9	0.91	Good Fit
Relative Fit Index (RFI)	RFI ≥ 0.9	0.893	Marginal Fit
Incremental Fit Index (IFI)	IFI ≥ 0.9	0.959	Good Fit
Tucker Lewis Index (TLI)	TLI ≥ 0.9	0.951	Good Fit
Comparative Fit Index (CFI)	CFI ≥ 0.9	0.959	Good Fit
Root Mean Square Error of Approximation (RMSEA)	RMSEA ≤ 0.05	0.048	Good Fit
Default Model AIC		592.993	
Saturated Model AIC	Def.<Sat.&Ind.	650.000	Good Fit
Independence Model AIC		5039.278	
Default Model CAIC		950.117	
Saturated Model CAIC	Def.<Sat.&Ind.	2218.45	Good Fit
Independence Model CAIC		5159.928	
Default Model ECVI		1754	
Saturated Model ECVI	Def.<Sat.&Ind.	1.923	Good Fit
Independence Model ECVI		14.909	
HOELTER	HOELTER > 200	220 (sig. 0.05) / 233 (sig. 0.01)	Good Fit

Based on the test results in Table 6, it is shown that there is only one measurement of bad fit level, 2 of marginal fit, and 13 of good fit. Therefore, it can be concluded that the overall model after respecification is already fit and can be analyzed for conclusions.

Importance-Performance Analysis(IPA)
Action Items Formulation
Action items formulation is done to see strategies that needs to be improved in order to increase customer's purchase intention of Garuda Indonesia for their international flight.

In this study, the action items are formulated through discussion with one of the expert from Marketing & Brand Development unit of Garuda Indonesia. The 16 action items that are obtained from expert discussion are concluded in Table 7 :

Table 7.
Action Items Formulation

No	Action Items
1	Open critical routes which can increase customers awareness of Garuda Indonesia for its international flights
2	Establish partnership with Liverpool football club by being the official airline of Liverpool
3	Hold travel fair and other similar events to attract customers
4	Maintain work result through updates on "colours" magazine, website, instagram, and twitter of Garuda Indonesia
5	Adjust the customer target of Garuda Indonesia for promotion channel selection. Example : Advertise in Kompas newspaper (when throwing ticket promotion/new routes) Advertise in Metro TV (emphasizing the quality of service)
6	Be a five-star airline and join Skyteam alliances.
7	Target various awards, such as "The Most Caring Airlines", "The Most Loved Airlines", and " The Best Cabin Crew".
8	Give the best service, politely, and patiently because service is the most importance aspect in airline industry
9	Show and give the best in every aspects (outfits, politeness, food, ambience) with Indonesian characteristics, in accordance to its carried mission "Explore Indonesia"
10	Give the best services in regards of the achieved awards.
11	Maintain the stewardess quality by training so that it is alligned with company's standard of keeping the quality of Garuda Indonesia Airlines.
12	Maintain the quality in each lines : pre-flight, post-flight, and in-flight services
13	Increase performance percentage of OTP (On Time Performance)
14	Open First Class category with a full service starts from pre-flight, post-flight, until in-flight journey
15	Conduct GarudaMiles membership program, where members can get various benefits and specialties exclusively.
16	Give out promotions in Indonesia for international passangers which come through BPTV (Boarding Pass True Value), such as discounts in several merchants.

Action Items Processing with IPA

Based on the formulation of action items on Table 7, then the following step is to give assessment of importance and performance of each action items done by several experts from Garuda Indonesia. The assessment results are then processed using Microsoft Excel 2013 software in form of scatter diagram to show the IPA quadrant as shown in Figure 5.

The four-quadrants IPA is formed based on C-line values (mean) of performance for x-axis and importance for y-axis. C-line value for x-axis is 3.777 and C-line value for y-axis is 4.161. The four-quadrants IPA of the action items is shown below (Figure 5).
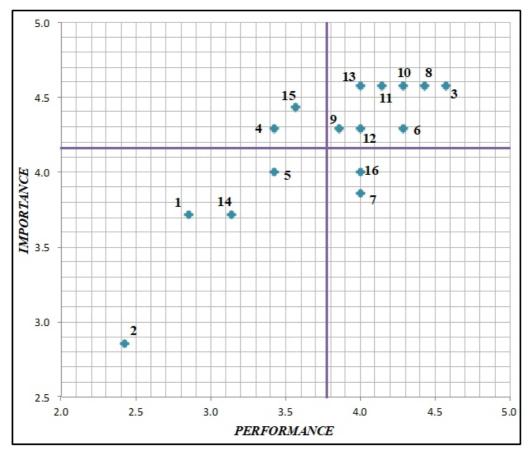

Figure 5. IPA Quadrant of Action Items

Based on Figure 5, it can be seen that the 16 action items are distributed to the four quadrants. In Quadrant 1, there are action items 4 and 15. In Quadrant II, there are action items 3, 6, 8, 9, 10, 11, 12, and 13. There are action items 1, 2, 5, and 14 on Quadrant III. Meanwhile, in Quadrant IV there are action items 16 and 17.

Result and Discussion

Structural Equation Modeling

In concluding the research hypothesis, probability value is used to show the influence of the latent variables to other latent variables. A variable is said to have significant effect if the probability value on structural equation has a value of < 0.050 (Arbuckle, 2009). If the probability value meet the limit value, then the hypothesis was accepted (Table 8).

Table 8.

Hypothesis Test Result

Hipotesis Direct Path		P-Value	Conclusion
H1	Brand Awareness**A** Brand Association	***	Approved
H2	Brand Awareness **A** Perceived Quality	***	Approved
H3	Brand Awareness **A** Purchase Intention	0.045	Approved
H6	Brand Association **A** Brand Loyalty	0.006	Approved
H7	Brand Association **A** Purchase Intention	0.034	Approved
H9	Perceived Quality**A** Brand Association	***	Approved
H10	Perceived Quality**A** Brand Loyalty	***	Approved
H11	Perceived Quality **A** Purchase Intention	0.782	Rejected
H14	Brand Loyalty**A** Purchase Intention	***	Approved
Indirect Path		P-Value	Conclusion
H4	Brand Awareness**A** Brand Association**A** Purchase Intention	0.001	Approved
H5	Brand Awareness **A** Perceived Quality**A** Purchase Intention	0.003	Approved
H8	Brand Association **A** Brand Loyalty**A** Purchase Intention	0.001	Approved
H12	Perceived Quality**A** Brand Association**A** Purchase Intention	0.017	Approved
H13	Perceived Quality**A** Brand Loyalty**A** Purchase Intention	0.001	Approved

From the hypothesis test result above, we can conclude that:

1. Brand Awareness, Brand Association, and Brand Loyalty factors perceived by Garuda Indonesia customers significantly affect their Purchase Intentions in choosing airlines service for their international flights.
2. Brand Awareness and Perceived Quality factors perceived by Garuda Indonesia customers significantly affect their Brand Association towards Garuda Indonesia.
3. Brand Association and Perceived Quality factors perceived by Garuda Indonesia customers for the international flights significantly affect their Brand Loyalty towards Garuda Indonesia.
4. Brand Awareness factor perceived by Garuda Indonesia customers significantly affects their Perceived Quality towards Garuda Indonesia for their international flights.
5. Although Perceived Quality factor does not significantly affect customers' Purchase Intentions, but Perceived Quality factor has significant effect on their Purchase Intentions mediated through Brand Association and/or Brand Loyalty factors. Therefore, the significant effect Perceived Quality factor gives to Purchase Intention are in form of indirect effects, which exist when mediated through Brand Association and/or Brand Loyalty. This result is related with respondents demographic, which are dominated by respondents with age group of 21-30 years old, and monthly expenditure of Rp 4.000.000 – Rp 10.000.000. Therefore, the airline quality perceived does not affect their purchase intention and affected more on association/image and promotion given by Garuda Indonesia.

Table 9.

Coefficient of Determination

Latent Variable Influencer	Influenced Latent Variable	R^2
BAW	PQ	0.469
BAW, PQ	BAS	0.658
PQ, BAS	BL	0.461
BAW, BAS, PQ, BL	PI	0.814

After concluding the research hypothesis, the subsequent analysis is the analysis on coefficient of determination (R^2). The coefficient of determination is used to indicate the extent of a latent variable represents in explaining other latent variables (Wijanto, 2008). The R^2 value in this study are shown in Table 9.

From the R^2 values in Table 9, the influence of each variables is explained below :

1. Brand Awareness explains 46,9% of variance on Perceived Quality, so that there are other variable, approximately 78,9% which will explain Perceived Quality, besides Brand Awareness.

2. Brand Awareness and Perceived Quality explain 65,8% of variance on Brand Association, so that those two latent variables sufficiently explain Brand Association, eventhough there are other variable, approximately 34,2% which will explain Brand Association, besides Brand Awareness and Perceived Quality.

3. Perceived Quality and Brand Association explain 46,1% of variance on Brand Loyalty, so that there are other variable, approximately 53,9% which will explain Brand Loyalty, besides Perceived Quality and Brand Association.

4. Brand Awareness, Brand Association, Perceived Quality, and Brand Loyalty explain 81,4% of variance on Purchase Intention, so that the four latent variables sufficiently explain Purchase Intention, eventhough there are other variable, approximately 18,6% which will explain Purchase Intention, besides Brand Awareness, Brand Association, Perceived Quality, and Brand Loyalty.

5. Brand Loyalty factor is the most influencing brand equity factor towards purchase intention, followed by Brand Association, Brand Awareness, and lastly Perceived Quality

Importance-Performance Analysis
Based on Figure 6, it can be seen that the 16 action items are distributed into four quadrants

1. Quadrant I – Concentrate Here (High Importance & Low Performance)
   In Quadrant I, there are two action items, which are action item number 4 and 15. These action items have high importance but low performance. Therefore, these action items should be focused for improvement.

2. Quadrant II – Keep Up The Good Work (High Importance & High Performance)
   In Quadrant II, there are action item number 3, 6, 8, 9, 10, 11, 12, and 13. These action items have high performance in accordance with the high importance, therefore Garuda Indonesia should keep up their relatively good performance for these strategies.

3. Quadrant III – Low Priority (Low Importance & Low Performance)
   In Quadrant III, there are action item number 1, 2, 5, and 14. These action items are considered to have low importance, so that Garuda Indonesia can not merely consider these strategies and focus more on other strategies that have higher importance.

4. Quadrant IV – Possible Overkill (Low Importance & High Performance)
   In Quadrant IV, there are two action items, which are action item number 7 and 16. These action items are considered to have low importance, but the performance given for these strategies are relaively high. Thus, performance reconciliation for the two strategies can be done so that the strategies will be more effective and efficient.

Although this study provides certain useful brand equity strategy guidelines for Garuda Indonesia Airlines, it does have some limitations. The study should be interpreted carefully because the data analyzed was collected only in Jakarta, Bogor, Depok, Tangerang, Bekasi. Considering that Indonesia has very diverse ethnic groups, economic and regional cultural differences due to its large population, which influence customer behavior, further study is needed to cover all the broad ranges of the population to confirm and generalize these results. In addition, there are several respondents for this research who are not yet independent in terms of decision making of purchases. Other than that, the research in determining action items only focused on Garuda Indonesia's viewpoint, which result in less variety in the items.

Below are the recommendations that can be implemented for the next research :
1. The research can be done using other variables outside brand equity, such as price and trust, which may be related to customers Purchase Intentions in choosing Garuda Indonesia for their international flights.
2. The research can be done on other airline services other than Garuda Indonesia, in order to know the difference of customers Purchase Intentions in choosing different arline services.
3. The research in determining the action items should be done using several viewpoints, not only focused on one party. Thus, the proposed strategies will be more varied and mature.

4. The research in data gathering should be focused on the working respondents who are already financially independent, and cut down the respondents who are not yet independent in terms of decision making of purchases.

Conclusion

After the data processing and analysis are conducted, it can be concluded that Brand Equity factors explain relatively good at around 81,4% of variance on Purchase Intention. Therefore, it can be concluded that the four latent variables very reasonably explain on the customer Purchase Intentions to choose Garuda Indonesia for their international flights

Based on analysis using Importance-Performance Analysis (IPA), it can be concluded that the strategies which should be focused to be improved by Garuda Indonesia are as followed:
1. Maintain work result through updates on "colours" magazine, website, instagram, and twitter of Garuda Indonesia as one of Brand Awareness strategies.
2. Increase performance of GarudaMiles membership program as one of Brand Loyalty strategies.

Aside from improving their current strategies, Garuda Indonesia also needs to make adjustments to the strategies regarding Brand Awareness and Brand Loyalty, because currently these factors have not been the focus of Garuda Indonesia and still have low performance. As for Perceived Quality Brand Association factors, Garuda Indonesia already has a good performance for the strategies and should only be maintained.

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