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The Effect of Co-Branding on Purchasing Decisions in the Indonesia Ice Cream Industry

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Abstract

This study aims to determine the effect of Co-Branding on purchasing decisions in Walls Ice cream products. The total sample in this study was 57 people. This research was conducted in less than one year, therefore the research method used was a cross-sectional study. Based on the variables studied, the type of research used is descriptive and verification research. The research method used is the explanatory survey method. This research is sourced from primary data obtained using several question items using google form. This article found that Co-Branding has a positive and significant influence on purchasing decisions. This shows that Co-Branding can influence purchasing decisions and will improve sales performance.

Keywords: *Co-Branding, Purchasing decisions*

Pengaruh Co-Branding Terhadap Keputusan Pembelian dalam Industri Es Krim Indonesia

Abstrak

Penelitian ini bertujuan untuk mengetahui pengaruh Co-Branding terhadap keputusan pembelian pada produk Walls Ice cream. Jumlah sampel dalam penelitian ini adalah 57 orang. Penelitian ini dilakukan dalam waktu kurang dari satu tahun, oleh karena itu metode penelitian yang digunakan adalah cross sectional study. Berdasarkan variabel yang diteliti maka jenis penelitian yang digunakan adalah penelitian deskriptif dan verifikatif. Metode penelitian yang digunakan adalah metode survei eksplanatori. Penelitian ini bersumber dari data primer yang diperoleh dengan menggunakan beberapa item pertanyaan menggunakan google form. Artikel ini menemukan bahwa Co-Branding memiliki pengaruh positif dan signifikan terhadap keputusan pembelian. Hal ini menunjukkan bahwa Co-Branding dapat mempengaruhi keputusan pembelian dan akan meningkatkan kinerja penjualan.

Kata-kata Kunci: *Co-Branding, keputusan pembelian*

INTRODUCTION

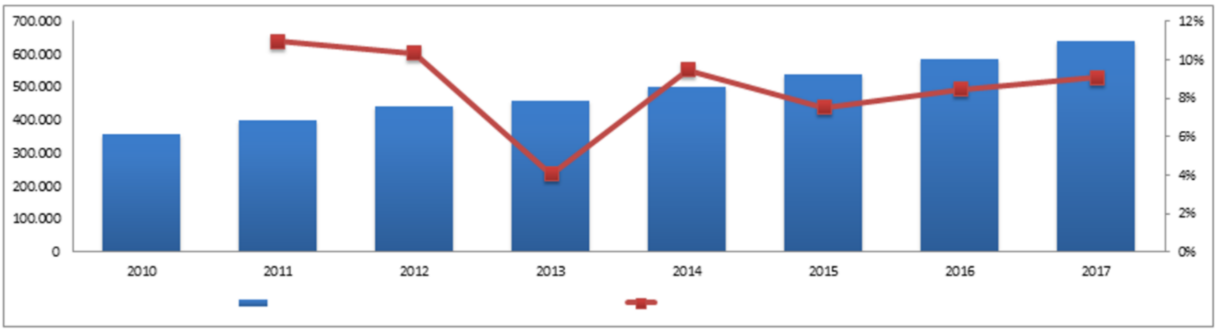
In the recent decade, the competition for goods and services is increasingly fierce (Kozak, 1999). The important role of a brand as an attribute of a good product (UKEssays, 2018) and also a service (Sandel, 2018) in the face of increasingly fierce competition is not only present as a product name and service, but a brand exists as an Intangible Asset (Sinclair and Lane Keller, 2014) that is able and capable of enhancing a product or service provider to be promoted to a more advanced high level is due to the existence of a brand value that is owned (Odunlami and Emmanuel, 2014).

Increasing business competition at this time is a business challenge for every company (Boynton et al., 1993; Bressler, 2012). A company of every commodity expects an increase in yield in each product sale, and a company that is unable to meet consumer needs will automatically experience a decrease in sales volume (Miečinskienė and Lapinskaitė, 2014). Therefore, to compete in the market, companies are required to think creatively and carry out new strategies to beat competitors (Nurpriyanti and Hurriyati, 2016).

In trade and business, producers of goods and services have hopes of the high income they can get from sales, of course, but this will not happen if their sales performance is not healthy, meaning that their income or income does not match their production costs (William et al., 2016). So, to face increasingly fierce market competition (Khadka and Maharjan, 2017), business organizations are urged to remain able to survive and also be able to improve the sales performance of the products they offer to consumers in various ways and strategies, think creatively, make innovations that can support each sale a year and compete with competitors (Indra, 2015).

Indonesia's food and beverage sector have considerable economic growth potential. Growth data trend on the Food And Beverage Industry 2010-2017, can be seen at below:

Figure 1 Growth Data Trend on The Food and Beverage Industry 2010-2017



Source: www.bps.go.id

Judging from the data in Figure 1.1, the trend of growth data for the Gross Domestic Product (GDP) of food and beverage has increased every year from 2010 to 2017, starting from 350,000 to 650,000 (in billion rupiah) in 2017. While in Growth The food and beverage industry has experienced ups and downs, for the time being, 2011 is still in the top position, namely more than 10%.

Companies that are not able to face market competition are getting tougher every day (Kaleka and Morgan, 2017; Kamyasup et al., 2010; Siregar, 2015). They will not be able to survive if the product marketing they present to the customer is not following the marketing strategy (Naidoo, 2010). In this condition, the marketing strategy built is very important (Freng Svendsen et al., 2011).

In Indonesia, a large number of illegal products and imported products with low quality and cheaper prices is a challenge in the Fast Moving Customer Goods (FMCG) Industry (Novie and Sujono, 2017), besides that, so that goods can be more accepted by consumers, increasing and developing creativity and innovation will be able to provide added value and benefits (Sutapa et al., 2017). In this country, the opportunity for the food and beverage industry to continue to increase both in the local market and in the export market. It is due to economic development marked by the growth of the middle class, consumer trends such as lifestyle and social, as well as the development of the retail world and digital growth (Neilson et al., 2018).

Ice cream is a food product that is well known by all students. The ice cream industry is a potential food and beverage industry and a lucrative business opportunity. Meanwhile, in Indonesia itself as a country with a tropical climate, the ice cream industry is one of the many potential food products (Development Solutions, 2017). The growth of middle-class consumers and changes in the lifestyle of Indonesian students have boosted the performance of companies in the domestic ice-cream industry to experience a significant increase (Ratriyana, 2018).

The competition will be present as an impact of increasing purchases of one of these food products to further increase market share by offering more diverse products (Li et al., 2011). It is expected to meet the wants and needs of every consumer every time. In Indonesia, this competition has resulted in various ice cream companies in Indonesia that are present to compete with various variations, brands, packaging, and quality of their products.

The following is Table 1 of companies in the ice cream industry in Indonesia.

No.	Company name	Commodity
1	CAMPINA ICE CREAM, PT	Ice cream
2	DOLPHIN, PT	Ice cream
3	SARI JAYA	Ice cream
4	SINGAPORE ES CREAM / ITARIA, CV	Ice cream
5	UNILIVER INDONESIA, PT	Ice cream

Table 1 shows that there are so many companies that produce ice cream in Indonesia. Every producer present in the market competes with each other and strives to provide a variety of products so that it attracts interest from Indonesian consumers. Ice cream producers compete with each other in gaining the highest market share by implementing various strategies to compete with other producers.

The market potential for ice cream in Indonesia can reach 60 million liters per year, but what has been realized has only reached 47 million liters per year. However, the growth in the market share for ice cream in Indonesia has increased by around 5-10% each year.

Top Brand Index (Tbi)

Ice Cream Category In Indonesia

Year	Commodity	Brand	TBI	
2015	Ice Cream	Wall's	69.70%	TOP
	Ice Cream	Campina	15.80%	TOP
2016	Ice Cream	Wall's	70.70%	TOP
	Ice Cream	Campina	15.90%	TOP
	Ice Cream	Wall's	71.20%	TOP
2018	Ice Cream	Campina	14.70%	TOP
	Ice Cream	Magnum	4.50%	
	Ice Cream	Wall's	32.10%	TOP
2019	Ice Cream	Campina	26.70%	TOP

	Ice Cream	Aice	10.90%	TOP
	Ice Cream	Diamond	6.60%	
	Ice Cream	Diamond	6.60%	

Based on table 2 that the Wall's ice experienced a decline in the Top Brand Index in 2019 from the previous year 2018 of 69.10%. The decline in the Wall's Top Brand Index (TBI) shows that Wall's as the main choice of consumers is starting to decrease and this can threaten Wall's sales.

METHOD

This research conducted analyzes how the influence of Co-Branding on purchasing decisions for Cornetto Silverqueen ice cream products. The research object consists of two variables, namely variable X and variable Y. The independent variable (free) is Co-Branding (X) while the dependent variable (dependent) is the purchase decision. Respondents in this study were students around the Postgraduate Program at UIN Bandung as ice cream consumers and the subject of analysis in this study was Cornetto Silverqueen. This research was conducted in less than one year, therefore the research method used was a cross-sectional study. Based on the variables studied, the type of research used is descriptive and verification research. The research method used is the explanatory survey method. This research is sourced from primary data obtained using several question items using google form.

RESULTS AND DISCUSSION

Table 3 Co-Branding Simple Linear Regression Model on Purchasing Decisions

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.064	4.077		.752	.456
	COBranding	.790	.089	.768	8.895	.000

a. Dependent Variable: Purchasing Decision

Based on the simple linear regression equation above, a constant value of 3.064 states that if there is no Co-Branding, then the amount of the purchase decision is 3.064. The regression coefficient on the Co-Branding variable is 0.790, which means that if Co-Branding (X) increases by one unit, there will be an increase in Purchase Decision (Y) by 0.790.

Table 4 Coefficient of Determination of Co-Branding on Purchasing Decisions

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.768a	.590	.582	4,639

a. Predictors: (Constant), COBranding

From the calculation of the coefficient of determination for Co-Branding (X) on Purchasing Decisions (Y) is 59%, in other words, it is in the category moderate, whereas 41% were affected by factors not researched.

Table 5 The Significance Value of the t Co-Branding Test has an effect on Purchasing Decisions

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	3.064	4.077		.752	.456
	COBranding	.790	.089	.768	8.895	.000

a. Dependent Variable: KeputusanPembelian

Shows the t test taken from the coefficient using the t test, namely t count> t table. Then t table with 205 respondents at α = 0.05 is 1.53. So that we get 8,895> 1,29, then Ho is rejected. After it is known that H0 is rejected, the effect test will be carried out, based on the data taken from Table 4, it is known that the R square is 0.590 so that it is worth 0.590> 0, meaning that there is a positive influence Co-Branding about purchasing decisions. Thus it can be concluded that the hypothesis in this study is Ho is rejected and Ha is accepted, so that there is an influence between Co-Branding on Purchasing Decisions. This finding is in line with the results of (Nurpriyanti and Hurriyati, 2016; Ramdhani, 2018) research that have a positive effect on the Purchasing Decision. This decline may indicate a problem with consumer purchasing decisions that have begun to switch to other products, this has an impact on decreasing profits earned by the company.

One of the things that are considered necessary and important to always be considered by every marketer is consumer purchasing decisions (Blythe, 2013: 9). Those are the first step and a determinant of whether consumers will buy a product or not. And of course, this is influenced by both outsides and inside him which will change the purchase decision (Boyd, 2002: 215).

The existence of an objective assessment and encouragement of consumer emotions grows into a factor in purchasing decisions made by consumers. So those companies are expected to be able to provide products that are following consumer desires and can be well received by consumers so that the company can become a market leader in the market (Lautiainen, 2015).

Maintaining the continuity of the Wall's ice cream company can be countered by purchasing decisions by the buyers students so that purchasing decisions will affect company performance, the higher the purchasing decisions, the higher the results that will be obtained by the company and vice versa.

According to (Peter and Olson, 2013) "The interaction between influence and awareness is the dynamics of consumer behavior, behavior and the environment in which humans exchange aspects of life. In other words, the thoughts and feelings they experience and the actions they take in the consumption process are involved in consumer behavior. It also includes everything in the environment that affects those thoughts, feelings, and actions.

According to (Kotler and Keller, 2012) consumer behavior is defined as an understanding of how a human, group, or organizational group selects, uses, and disposes of goods and services, or ideas and even experiences for the sake of satisfying wants and needs. Cultural, social, personal, and psychological factors are factors that influence consumer purchasing decisions (Lamb et al., 2006: 57). Each of these factors forms a unity on how humans behave in their economic life. Purchasing decisions made by consumers for products offered by producers are an important factor that needs to be considered by producers of goods and services because it determines consumer attitudes towards the products offered (Albari and Safitri, 2018).

Today, the increasingly competitive competition in the goods and services industry requires producers to create strategies (Porter, 1991: 51). It follows retaining consumers and attract new consumers and think about how consumers want to buy goods and services produced by producers (Boone and Kurtz, 2006: 7). The decline in the performance of the purchasing decision causes a bad effect which will have an impact on the continuity of the company (Lautiainen, 2015). Consumers will switch and choose competitor brands that are considered better so that it has an impact on the company's reputation and decreased sales of that brand (Solomon, 2009: 351).

Of the many strategies in maintaining a company's life longer than before, and one of these has been widely used by companies in the world and Indonesia. In addition to maintaining the life of the company, increasing sales performance, it also adds a certain value to one of the many products produced by a company. One of the many strategies and methods is Co-Branding (Rahayu, 2008).

Co-Branding can increase sales through existing target markets and open up opportunities for new customers and networks. Co-Branding also has a valuable meaning to learn to recognize consumers and how other companies approach consumers (Kotler and Keller, 2008: 361).

Co-Branding is a strategy used by the company by combining 2 or more existing brands into a superior brand that is again offered into the existing market (Pratama et al., 2019). Co-Branding is one of the marketing strategies that are still a trend used by business organizations in the world in general in Indonesia in particular. Co-Branding is a combination of two or more brands to create a new and unique product (Washburn et al., 2000). By combining 2 brands that have different advantages into 1 superior brand, it can attract more student interest in buying, so that it can increase sales which have a positive impact on financial performance because they get the expected profit.

The identity of a product lies in the brand which can be used as a useful measuring tool to determine the quality of a product. Students as consumers see and pay attention to the brand as something important in a product, and the brand can be an added value in the product.

Therefore, a brand needs to have its own appeal that can make the community as consumers remember the brand inside and make the brand the main source when they need a variety of other similar products.

CONCLUSION

Based on the research above, it is stated that Co-Branding has a positive influence on purchasing decisions. This shows that Co-Branding can influence purchasing decisions and will improve sales performance. The reason for Wall's doing the Co-Branding strategy with the Silverqueen chocolate brand is because currently Silverqueen chocolate is known as the best chocolate product according to the Top Brand Index (TBI), therefore Wall's releases a new product as a result of Wall's Cornetto Silverqueen Co-Branding strategy.

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