



## THE INFLUENCE OF SERVICE QUALITY AND BRAND EQUITY ON PURCHASE DECISIONS OF MNC PLAY APPLICATION

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### Abstract

The development of internet technology that has occurred to date is inseparable from the increasingly high level of the internet service provider industry. In addition, the background of the acceleration of internet users is also inseparable from the number of Indonesian population that continues to grow from time to time, so that the internet becomes one of the important needs that are not limited. This is then seen as an opportunity and triggers every internet service industry player in providing the best service in order to win the competition. Various efforts are certainly made in meeting every demand expected by customers, for example through efforts to quality services provided, as well as the extent to which the company is able to assess the strength or brand value of a company in the eyes of customers. This study aims to determine and analyze the influence of service quality and *brand equity* on MNC Play's purchase decisions in Bandung City.

The research method used in this study is a quantitative method with a type of descriptive-causality research. The sampling was carried out using a *non-probability* sampling technique that was *purposive sampling* of the number of 102 consumer respondents who had made purchases or installed MNC Play internet in Bandung City. The data analysis techniques used are descriptive analysis and multiple linear regression analysis.

Based on the results of descriptive analysis research, service quality, *brand equity* and purchase decisions for consumers in Bandung City as a whole are included in the good category. The results of regression analysis research show that Service quality and *Brand Equity* have a significant partial and simultaneous influence on the Purchase Policy at MNC Play in Bandung City.

**Keywords:** Quality as Service, Brand Equity, Purchasing Decision.

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## 1. Introduction

### Background

Entering an increasingly sophisticated era like today, the presence of the internet plays an important role in the creation of globalization, democratization, and technological innovation in various fields of life that allow the flow of information to flow quickly without knowing territorial and time boundaries. The internet seems to be a primary need in supporting various human activities such as communication, work, study, shopping, social media, to find the information needed. In fact, its existence has helped encourage the acceleration of the industry to become more rapid through the merger of *cyber* technology with automation technology or what we know as the *internet of things* (IoT), so that with the merger of these technologies, it no longer requires human performance in its operation (Sharikharani, 2022).

In Indonesia, there are two types of internet service providers (*Internet Service Provider*), the first is a cellular-based data package (*mobile broadband*) with a variety of familiar products such as Telkomsel, XL, Indosat Ooredoo, Tri, Axis and so on, the second is a home-based internet service (*fixed broadband*) such as, Indihome, MNC Play, First Media, and so on. This type of *Fixed broadband* internet service is usually used by business entities, offices, industries and / or tourism, to the most are users of stairs. Among fixed broadband internet service providers, Indihome is the *provider* with the largest customers in all regions in Indonesia. Indihome controls almost 70% of *fixed broadband* service users with a larger number of areas compared to its competitors. Besides Indihome, there are also similar competitors such as First Media, Biznet, MNC Play, and other products. Based on the picture, the fixed broadband-based internet market is still dominated by Indihome. This product from Telkom has been used by 67.54% of users, then as many as 3.88% of consumers use First Media, as many as 2.88% of consumers use MNC Play, as many as 2.24% of consumers use iConnet, 1.52% of consumers use Biznet, and as many as 1.04% of consumers use Oxygen. While as many as 12.8% of consumers use other providers, and as many as 8.11% are unknown. Looking at these data, it shows a very unequal number in the current company, so of course other competitors need to take strategic steps in order to change the competitive market to be more ideal, competitive and competitive so that they can become market leaders in the future (Pahlevi, 2022).

In responding to these challenges, MNC Play is present as one of the competitors that responds seriously to competition in the internet service industry. MNC Play is a product / company that provides cable television and internet services based

on fiber optic long band (*fixed broadband*) under the auspices of PT. MNC Group. MNC Play tries to answer the competitive challenges in the internet service industry by presenting the latest infrastructure, namely *fiber to the home* (FTTH). However, based on the percentage of sales that Jakarta City has the highest service users of 34% or as many as (104,774) users, Surabaya City is the second region that has 21% users or as many as (64,713) users, Medan City is in the third region that has users of 13% or as many as (40,060) users, then Malang City of 12% or as many as (36,979) users, and Semarang City by 11% or as many as (33,897) users, while Bandung City is the lowest area with 9% or as many users as (27,734) users. This value is calculated by referring to the results of the 2022 APJII survey which states that as many as 10.7 million users subscribe to fixed broadband-based internet, then it is known that MNC Play users have a proportion of 2.88%, so it is assumed that there are 308,160 users of MNC Play's *fixed broadband* internet service spread from these 6 cities.

Looking at the percentage level of internet users, it indicates that MNC Play's *fixed broadband* internet service sales, especially in the city of Bandung, are considered not optimal, even being the lowest among the 5 other cities served. In addition, when compared to MNC Play's customer data in the previous 2 years, JELAS shows a significant decrease in the number of subscribers. This proves that MNC Play has not been able to compete in obtaining existing market potential, even unable to maintain customer loyalty, so it indicates a purchase decision that is still low or far below its competitors. Therefore, the company in this case MNC Play needs to make serious efforts to be able to compete again with all its competitors who in addition to having big names, are also believed to have strategic capabilities in winning internet service competition, especially *fixed broadband*.

Purchasing decisions are a set of processes passed by potential customers consisting of problem recognition, information search, idea notification, alternative assessment, to finally make a purchase decision and provide a post-purchase response (Kotler & Armstrong, 2018). In addition, according to (Kotler & Keller, 2018: 80) the factors that influence purchasing decisions will be closely related to installment in marketing science such as products (brand, quality), promotion (advertising, personal selling, publicity and sales promotion), distribution (accessibility) and service and price. In the suit business industry a

Service, consumers certainly have considerations and critical thinking that will produce demands to fulfill their desire to get high-quality service. On the other hand, companies need to have a commitment to realizing quality as consumer-oriented services, because this is believed to be the main prerequisite

in supporting the success of a business where purchasing decisions are one of the elements in it (Agustini, 2020).

So many attributes to the industry/ services that can be offered in an effort to improve consumer purchasing decisions. To understand the behavior or needs of consumers of the services provided, it is considered necessary to conduct a deeper study of the quality of service bags from the service industry including the comparison of services between service industries themselves as one of the important factors in determining the quality of services, whether better or worse. In addition to efforts to improve service quality, building brand equity also needs to be a serious study of a company, because brand equity is believed to have the ability to influence customer purchasing decisions. This belief is supported by the statement of Armandhani & Sukaatma dja (2014) which revealed that strong brand equity is needed as an attraction of a product or service, because the stronger the brand of a product, the stronger the position of the product and the added value of the product in the eyes of consumers compared to competing brands, with brands. The next strong company can lead consumers to make purchases. In addition, Aaker (2014: 8) expresses another view related to brand equity or brand equity, where according to him brand equity is a set of assets and liabilities related to the brand, name and symbol that can increase or decrease the value depending on the quality of a good or service provided. Aaker (2014: 9) explained, with strong brand equity, customers will voluntarily make purchases.

Based on the phenomena that have been described, we are interested in conducting research entitled "**The Effect of Service Quality and Brand Equity on MNC Play Purchasing Decisions (Study Pthere are MNC Play Users in Bandung City).**"

## **2. Research Literature Review**

According to Kotler & Armstrong (2018: 158), consumers make various decisions every day and purchasing decisions are the focal point of marketers. Meanwhile, according to Tjip Tono (2016: 22) purchasing decisions are part of consumer behavior, where consumers are involved in efforts to obtain, determine goods or services, including the decision-making process that precedes and follows these actions. In this case, according to Kotler and Armstrong in Kusbastio (2022) suggests that there are four indicators of purchasing decisions, namely:

a. Stability of buying after searching for product information Consumers will buy a product because they already know the information from the

product. So the purchase decision is made after consumers search for information in various media.

b. Decide to buy because of the most preferred brand In this case, consumers buy the brand's most preferred product, whether it's because of the suitability of the product, the brand is well known, or for other reasons.

c. Buy because it suits your needs and wants Consumers will buy a product because it suits their needs and desires. Desire means that consumers have a desire to have their products, while needs mean that consumers do need these products to meet their needs.

d. Other Party's Recommendation Consumers will buy a product because they have received recommendations through friends and other people.

### **2.1 Quality of PE service**

According to Tjiptono (2019: 290) service quality focuses on efforts to meet consumer needs and desires, as well as the accuracy of delivery to balance consumer expectations. Meanwhile, according to Tjiptono in Atmaja (2018: 50), quality is a dynamic condition that affects products, services, people, processes, and the environment that can meet or exceed expectations. Therefore, service quality can be interpreted as an effort to meet the needs and needs of consumers by balancing consumer expectations in delivering them in order to obtain a good perception from consumers. According to Kotler in Tjiptono (2019: 284) there are five dimensions of service quality, namely:

- a. Reliability, is the company's ability to provide services in accordance with what is promised accurately and reliably. Performance must match customer expectations which means the same time and service for all customers without errors.
- b. Physical form (tangible), related to the attractiveness of physical facilities, equipment, materials used by the company, and the appearance of employees.
- c. Responsiveness, the ability of employees to help customers and respond to their requests, as well as provide information about the services to be provided and then provide services quickly.
- d. Assurance, assurance, assurances given to consumers related to the ability, courtesy and trustworthy nature possessed by employees, free from danger or risk of doubt, employee behavior is expected to foster trust and the company is expected to foster a sense of security for its customers.
- e. Empathy, giving a sincere attitude is individual or personal that is given to a

customers by trying to understand consumer desires.

## **2.2 Brand Equity**

According to Kotler & Armstrong (2018: 282), brand equity is a positive differential influence that if a customer knows a brand name, that customer will respond to the product or service. Brand equity is the added value provided to products and services that can be reflected in the way consumers think, feel, and act on the brand, price, share of trade, and profitability owned by the company. In addition, according to Assauri (2018: 13) factors that can provide added value for a product/service are brand equity which provides an overview from a consumer perspective, including how to think, feel, and act on a product brand, to reflect on price, market share and profitability based on the brand goals of a company. According to Aaker & David in Seliani & Pratomo (2019) explained that brand equity has several factors that can be dimensioned, namely:

### **a. Brand Awareness**

The image of a brand in the minds of consumers and can be decisive in several aspects that have a role in brand equity. Brand awareness is the ability of potential buyers to recognize or *recall* brands that fall into product categories.

### **b. Perceived Quality**

The quality or superiority of a product or service perceived by consumers. According to Garvin in Raharjo and Dharmayanti (2016) stated that perception of early quality from the main performance aspect, related to the performance results shown to consumers, service is related to the service provided by the company to consumers, resilience, related to the period or useful life of goods or j ASA used within a certain period of time., reliability is the possibility of products or services to meet customer needs or desires, product characteristics are related to the personality or vision and mission of the company, conformity with specifics SI is conformity with the quality of products promised by the company to consumers and results related to benefits or benefits received by consumers.

### **c. Brand Association**

All aspects that stick to the memory of the person about the merk. Brand association is anything that concerns thoughts, feelings, perceptions, images, experiences, beliefs, attitudes, etc. related to the brand and the long and short term memory of consumers.

### **d. Brand Loyalty**

A consumer's interest in a brand. Brand loyalty can be interpreted as consumer loyalty to a brand which

means consumers do not easily move to other brands.

According to Sugiyono (2018: 182) suggests that a hypothesis is a temporary answer to the formulation of a research problem, where the formulation of the research problem has been expressed in the form of a question sentence. It is said to be provisional because it sentences on empirical facts obtained through data collection. So, hypotheses can also be used as theoretical answers to research problem formulations, not empirical answers with data collection. Based on the framework that has been presented by the researcher, the hypothesis proposed is as follows: "There is a partial and simultaneous influence of service quality and brand equity on purchasing decisions at MNC Play in Bandung City"

## **3. Research Methods**

### **3.1 Types of Research**

This research is a type of descriptive and causal research because this research aims to analyze the relationship between variables and describe the results of the study. The research method used is a quantitative approach method. Sampling is carried out with a *non-probability sampling* technique used is *purposive sampling*. The population of this study is 102 consumers who have made purchases or installed MNC Play internet in Bandung City. The data analysis techniques used are descriptive analysis and multiple linear regression analysis

## **4. Results of research and Discussion**

### **Results of Descriptive Analysis**

#### **Respondents' Feedback on Service Quality**

Based on the results of descriptive analysis that has been carried out, the service quality variable obtained an average value of 81.49%. The value is included in them good category. So it can be concluded that in general the quality of service provided by MNC Play to customers is in good condition or with another meaning that respondents are satisfied with the quality provided by MNC Play.

#### **Respondents' Gaps About Brand Equity**

Based on the results of the descriptive analysis that has been carried out, *the brand equity* variable obtained an average value of 83.86%. The value belongs to the good category. So it can be concluded that in general MNC Play's brand equity is in good condition or with the meaning that respondents feel MNC Play has good brand strength.

#### **Respondents' Feedback on Purchasing Decisions**

Based on the results of descriptive analysis that has been carried out, the purchase decision variable

obtained an average value of 82.38%. Nileai is included in the good category. So it can be concluded that in general the purchase decisions owned by MNC Play are in good condition or with

another meaning that MNC Play has good purchasing decisions from its customers.

#### 4.2 Research Results

Table 1 Multiple Regression Analysis Results

#### Coefficients<sup>a</sup>

| Model            | Unstandardized Coefficients |            | Standardized Coefficients |        |      |
|------------------|-----------------------------|------------|---------------------------|--------|------|
|                  | B                           | Std. Error | Beta                      | t      | Sig. |
| 1 (Constant)     | -.371                       | .203       |                           | -1.825 | .071 |
| Kualitas Layanan | .285                        | .060       | .285                      | 4.792  | .000 |
| Brand Equity     | .715                        | .063       | .680                      | 11.424 | .000 |

a. Dependent Variable: Keputusan Pembelian

Source: SPSS processing, 2023

Based on the output of Table 1, the result of the regression coefficient is obtained so that the equation is as follows:

$$Y = 0.413 + 0.425X_1 + 0.194X_2 + 0.280X_3 + e$$

The multiple linear regression equation can be interpreted as follows:

$$Y = -0.371 + 0.285X_1 + 0.715X_2$$

The multiple linear regression equation can be interpreted as follows:

- a. A constant value of -0.371 states that if there is no quality of service and *brand equity* (X), then the consistent value of purchasing decisions (Y) is -0.371.
- b. The value of the service quality regression coefficient X 1 is positive at 0.285, meaning that the variable X 1 has a direct relationship with Y and each increase of one unit of quality (X 1) will increase the purchase decision (Y) by 0.285.
- c. The value of the *brand equity* regression coefficient X 2 is positive at 0.715, meaning that the variable X 2 has a direct relationship with Y and every increase of one unit of *brand equity* (X 2) will increase the purchase decision (Y) by 0.715.

#### Results found:

The service quality variable (X 1) has a Tcount (4.792) > Ttable (1.66055) and a kans significance level of 0.00 < 0.05, then H0 is rejected, and H1 is accepted. it can be concluded that there is a partial significant influence of service quality (X1) on purchasing decisions (Y). The brand equity variable (X 2) has a Tcount of (11.424) > Ttable (1.66055)

and a significance level of 0.00 < 0.05, then H 0 is rejected, and H1 is accepted. it can be concluded that there is a partial significant influence of *brand equity* (X2) on purchasing decisions (Y).

it can be seen that the R value is 0.886 and Rsquare (R<sup>2</sup>) is 0.785. This shows that the influence of independent variables, namely service quality and *brand equity* on the dependent variable, namely the decision of the government, is 78.5%, while the remaining 21.5% is influenced by other factors that were not examined in this study such as *place*, price and promotion.

#### 4.4 Results and Discussion

The results showed that service quality and *brand equity* have a partial influence on purchasing decisions. Good service will give. According to Agustin & Suasana (2020), service quality is the most important factor in determining the success of a company where the company's ability to provide high-quality services to consumers. The more companies can provide good quality service by providing accurate service to consumers, being able to handle complaints, being able to communicate and growing consumer trust, it will improve purchasing decisions. From the quality of MNC Play Bandung services, respondents felt that employees were able to provide information related to products appropriately, were able to respond to customer needs and were able to increase customer confidence.

Based on the results of regression analysis, it shows that the most dominant factor is a *brand equity* variable that has a positive influence and can influence purchasing decisions. According to

Pradipta *et al* (2016) Brands have a high impact in terms of purchasing decisions, as the identity of a company, and are a differentiator of one product from another. Brand is a symbol or logo that can build consumer perception of a product. *Brand Equity* itself will provide reasons for consumers to make purchases with various considerations. From the brand *equity* of MNC Play Bandung City, respondents can recognize the MNC Play brand easily and respondents have a positive view of the quality provided by MNC.

This is reinforced by Adabi's research (2020) states that service quality affects purchasing decisions. The better the service provided by the dining company will increase purchasing decisions. In addition, according to Syaidah *et al* (2020) the results of his research show that *brand equity* affects consumer purchasing decisions, the better the *brand equity* of a company, the higher the purchase decision.

The results of simultaneous research show that service quality and *brand equity* influence purchasing decisions. The results of the coefficient of determination showed the magnitude of influence on the variable was 78.5% while the remaining 21.5% was influenced by other factors that were not studied in this study such as price and promotion. This is in line with Sriyanto and Kuncoro's (2015) research which shows that service quality and *brand equity* affect purchasing decisions.

## **5. Conclusion and Advice**

### **5.1 Conclusion**

Based on the results of research that has been conducted by peneliti on MNC Play consumers in Bandung City regarding the influence of service quality and *brand equity* on purchasing decisions, conclusions can be drawn as follows:

- a. Service Quality at MNC Play in Bandung City is included in the *baik* category of 81.49%.
- b. *Brand Equity* on MNC Play in Bandung City is included in the *good* category of 83.86%.
- c. Purchase decisions on MNC Play in Bandung City have been included in the *good* category of 82.38%.
- d. Service Quality and *Brand Equity* have a significant partial and simultaneous influence on MNC Play's Purchase Decision in Bandung City.

Based on the conclusions of the research results, the researchers proposed several suggestions for the company and further research that can be used as solutions for further considerations, including the following:

Based on the results of research, discussion and conclusions, the author tries to put forward several suggestions that are expected to be input and

consideration for company improvement from existing shortcomings are as follows:

- a. Based on the results of a descriptive analysis of service quality variables with the lowest statements, researchers for companies related to service reliability so that companies can minimize service errors made by officers or employees are always paying attention to the SOPs that the company makes, so that the flow of services in answering customer complaints can be minimized. In addition, in order to maximize other performance such as internet networks, companies can invest by having the best internet devices such as optical Viber, so that the internet network can be more stable, and in internet performance can be felt optimally by its customers.
- b. Based on the results of a descriptive analysis of *brand equity* variables with the lowest statement, the researcher's advice for companies so that loyalty to the MNC Play brand can achieve tension or even be further increased is to always provide benefits in the form of discounts or discounts for regular customers, respond to all customer complaints and needs as quickly as possible so that customers do not switch to other providers, SERTA makes customers the main partner and needs to prioritize all their needs in the expected service.
- c. Based on the results of descriptive analysis of purchasing decision variables with the lowest statements, researchers' suggestions for companies so that the information received by each customer is more effective or to the customer, companies can make persuasive efforts for example through telephone connections by MNC Play telemarketing employees, or through email, short messages and other communication channels in conveying related to new programs, discounts, and benefits related to all information that MNC Play wants to provide to its customers.

Based on the results of the study, the following authors propose some suggestions for further research:

- a. Conduct research on factors other than those examined by researchers that influence purchasing decisions, such as price, promotion and trust.
- b. It is hoped that researchers can further correct the shortcomings in this study by increasing the number of samples and analysis techniques such as using SEM PLS or *path analysis* in order to obtain optimal results.

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