

# The Effect of Brand Equity and Marketing Mix on Purchase Decisions for Current Franchise Beverage Products in Gorontalo City Using the Structural Equation Modeling Method

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Abstract. This study examines the intense competition in the contemporary franchise beverage industry in Gorontalo City, where consumers have many choices that affect loyalty to certain brands. This study aims to analyze the effect of brand equity and marketing mix on customer loyalty. This descriptive quantitative research uses accidental sampling with 100 samples. Data analysis includes statistical tests as well as Structural Equation Modeling (SEM) models. This study shows that brand equity and marketing mix have a positive and significant effect on purchasing decisions, both partially and simultaneously, with the t-count and f-count values exceeding the table limit at the 95% confidence level. SEM-PLS analysis confirmed the significant relationship with p-values of 0.05 and t-statistics of 1.96, supporting the tested model. The research conclusion shows that brand equity and marketing mix have a significant influence on purchasing decisions. As advice, business owners of contemporary beverage franchises in Gorontalo City are advised to strengthen brand equity, as well as optimize creative and effective marketing strategies to increase competitiveness.

**Keywords:** Purchase Decision, Brand Equity, Marketing Mix, Structural Equation Modelling, Contemporary Franchise Beverage

Abstrak.Penelitian ini mengkaji ketatnya persaingan di industri minuman franchise kekinian di Kota Gorontalo, dimana konsumen memiliki banyak pilihan yang memengaruhi loyalitas terhadap merek tertentu. Penelitian ini bertujuan menganalisis pengaruh brand equity dan marketing mix terhadap loyalitas pelanggan. Penelitian deskriptif kuantitatif ini menggunakan accidental sampling dengan 100 sampel. Analisis data mencakup uji statistik serta model Structural Equation Modelling (SEM). Penelitian ini menunjukkan bahwa brand equity dan marketing mix berpengaruh positif dan signifikan terhadap keputusan pembelian, baik secara parsial maupun simultan, dengan nilai t-hitung dan f-hitung melebihi batas tabel pada tingkat kepercayaan 95%. Analisis SEM-PLS mengonfirmasi hubungan signifikan dengan p-values 0,05 dan t-statistics 1,96, mendukung model yang diuji. Kesimpulan penelitian menunjukkan bahwa brand equity dan marketing mix memiliki pengaruh signifikan terhadap keputusan pembelian. Sebagai saran, pemilik minuman franchise kekinian di Kota Gorontalo disarankan untuk memperkuat brand equity, serta mengoptimalkan strategi pemasaran yang kreatif dan efektif guna meningkatkan daya saing.

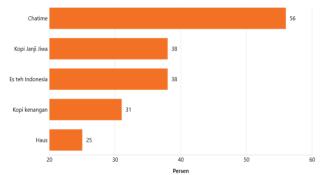
Kata kunci: Keputusan Pembelian, Brand Equity, Marketing Mix, Structural Equation Modelling, Minuman Franchise Kekinian

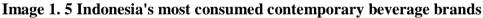
## 1. INTRODUCTION

Competition in today's business world is getting tougher. Every company is competing to attract customers to buy the products they provide. The beverage industry in Indonesia is a strategic sector that continues to grow every year. Based on data from the Ministry of Industry, in the third quarter of 2022, this sector recorded a growth of 3.57 percent, an increase compared to the same period in 2021 which only reached 3.49 percent. This growth is projected to reach 5 to 6 percent, in line with the increasingly popular trend of modern beverage businesses in Indonesia. Modern beverages are synonymous with popular and innovative beverage products that carry a ready-to-drink concept and offer a variety of flavors. Types of modern beverages

include bubble tea or boba, iced milk coffee, milk tea, fruit drinks, chocolate drinks, and others (Tito & Stefani, 2023). The trend of contemporary beverages is seen as a promising opportunity for business players. This can be seen from the increasingly diverse types of contemporary drinks and the growth of companies in this sector, both at the local and national levels. To face competition, a business needs to create a competitive advantage by offering more value than competitors and providing significant benefits to consumers. In addition, implementing the right competitive strategy is also very important.

The food and beverage business is one business sector that will always survive, because food and beverages are basic human needs. Contemporary drinks refer to innovative and popular drinks, both because of their taste and unique characteristics. The increasing number of similar beverage businesses has increased the level of competition between business actors in this sector. These conditions provide consumers with a variety of alternative choices to determine the type of beverage that can provide the best product satisfaction (Mufidah, 2023). Here are the top 5 most consumed contemporary beverage brands in Indonesia according to databoks





Based on the graph, Chatime is the most consumed contemporary beverage brand by Indonesians with a percentage of 56%. In the next position, Kopi Janji Jiwa and Es Teh Indonesia have the same consumption percentage of 38%. Meanwhile, Kopi Kenangan is in fourth position with 31%, and Haus is the brand with the lowest consumption percentage at 25%. This data shows that Chatime has a significant dominance over other brands in the contemporary beverage category in Indonesia.

A purchase decision is a selection process between two or more options that consumers face when deciding to buy. Although in general the decision-making process in each person is similar, it is influenced by factors such as personality, age, income, and lifestyle of each individual. Consumers can choose to buy or not buy, as well as decide how to spend their time, which puts them in a position to make decisions. Every day, consumers make a variety of decisions regarding aspects of daily life, though often without deeply considering the processes and factors involved in decision-making. Alternative choices must be available when a person makes a decision (Permata Sari, 2021). Consumers can choose to make a purchase or not, as well as consider how to spend their time, which means they are in a position to make a decision. Conversely, if a consumer has no alternatives and is forced to make a particular purchase or action with no other choice, this situation is not considered a decision (Permata Sari, 2021).

In the product purchasing process, marketing strategies, consumer lifestyles, and brand equity from sellers are important factors that can influence consumer considerations in making purchasing decisions. Purchasing decisions are a series of steps in which individuals realize problems, seek information about certain goods or brands, and evaluate various options before deciding to buy (Tjiptono, 2017). According to (Kotler et al., 2023) The purchase decision-making process is influenced by various factors, including personal, psychological, social, cultural, and situational factors, and consists of five phases, namely problem recognition, information search, alternative evaluation, purchase decision, and post-purchase behavior. The purchase decision is the evaluation stage in which consumers develop brand preferences and choices that form the intention to determine the most preferred product or service (Zaenati et al., 2022).

In order to maintain a competitive advantage, a contemporary beverage franchise business in Gorontalo City needs to understand how to build a marketing strategy. One method that can be applied is through the use of Marketing mix. Marketing management is a series of steps that companies take to manage the exchange process (Tumbel et al., 2019). According to Swastha and Irawan in Research (Tumbel et al., 2019) Marketing mix is a combination of four main variables or activities in the marketing system, namely: product, pricing, promotion, and distribution. Meanwhile, according to (Kotler et al., 2023) Marketing mix is a series of marketing tools that can be managed by a company to obtain the desired response from the target market.

A brand is a symbol or design that distinguishes a product or service from competitors, while brand equity includes the total value associated with the brand, including its identity and representation (Aaker, 1991). *Brand equity is a collection of assets and liabilities associated with brand names and symbols, which aim to increase the value of products or services offered by the company. This brand equity also includes emotional and practical elements (Miranto & Suryanto Hidayat, 2021).* Building strong brand equity is very important because it can help companies gain significant profits. Brand equity consists of four main dimensions: brand awareness, brand association, perceived quality, and brand loyalty (Keller, 2019).

Although the contemporary beverage franchise business is growing rapidly and has developed a business strategy, this does not guarantee success for the franchise. This situation is caused by the rapid growth of franchise businesses in various regions in Indonesia, especially in Gorontalo City. Therefore, researchers are interested in conducting research on the contemporary beverage franchise beverage business in Gorontalo City, with the aim of analyzing the influence of brand equity and marketing mix applied by the branch to maintain customer loyalty, especially in a situation of increasingly fierce competition with food and beverage businesses that have spread widely in Gorontalo City.

## 2. METHODS

This research is included in the type of quantitative descriptive research. According to (Sugiyono, 2017) Population is a generalization area that includes objects or subjects with certain characteristics that have been determined by researchers to be studied and used as a basis for drawing conclusions. Sample according to (Sugiyono, 2017) is part of the number and characteristics possessed by the population. In this study, the sampling technique used was nonprobability sampling with accidental sampling method. Accidental sampling is a sampling technique based on chance. If the population size is unknown, the Lemeshow formula is used as follows:

$$n = \frac{z^2 \cdot p (1 - p)}{d^2}$$
$$n = \frac{1,96^2 \cdot 0.5 (1 - 0.5)}{0.1^2}$$
$$n = \frac{3,8416(0.25)}{0.01}$$
$$n = 96,04$$

Description :

n = Number of samples

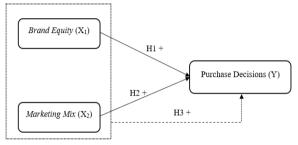
z = estimation value (1.96) with 95% confidence level

p = proportion of unknown population (0.5)

$$d = alpha (0, 10)$$

Based on the results of the Lemeshow formula, it was found that the sample used in this study amounted to 96.04 and rounded up to 100 samples. Data analysis was carried out through various statistical tests, including validity and reliability tests used to ensure that the instruments used are able to accurately measure the intended variables and provide consistent results. In addition, normality test, heteroscedasticity test, and multicollinearity test were

conducted to ensure that the regression model meets the basic assumptions of linear regression analysis. Multiple linear regression analysis is also used to measure and analyze the relationship or influence between one dependent variable and two or more independent variables, involving the t-test, f-test, and coefficient of determination test. After these statistical tests, the Structural Equation Modelling (SEM) model was applied to analyze the relationship between latent variables (variables that cannot be measured directly) and their indicators. This SEM model is divided into two parts, namely the inner model and outer model.



**Image 2. Hypothesis Framework** 

Hipotesis :

H1 : It is assumed that brand equity has an influence on purchasing decisions.

H2: It is assumed that the marketing mix has an influence on purchasing decisions.

H3 : It is assumed that brand equity and marketing mix have a simultaneous influence on purchasing decisions.

### 3. RESULT AND DISCUSSION

#### Validity Tes

The validity test is used to determine whether a questionnaire is really able to measure what should be measured. A questionnaire is declared valid if the questions accurately represent the aspects to be studied. In this study, the validity test was applied to all variables using a trial on 20 respondents outside the sample used.

Table 1.	Validity	Test F	Results
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Variable Purchase Decision							
Questionnaire	r-count	r-table (n=18)	Description				
Items							
1	0,727		Valid				
2	0,742		Valid				
3	0,815	0.442	Valid				
4	0,709	0,443	Valid				
5	0,446		Valid				
6	0,518		Valid				
Variable Brand	Variable Brand Equity						
Questionnaire	r-count	r-table (n=18)	Description				
Items							
7	0,799	0,443	Valid				

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8	0,542		Valid
9	0,651		Valid
10	0,777		Valid
11	0,560		Valid
12	0,758		Valid
13	0,699		Valid
Variable Marke	eting Mix		
Questionnaire	r-count	r-table (n=18)	Description
Items			
14	0,525		Valid
15	0,807		Valid
16	0,717		Valid
17	0,485		Valid
18	0,790	0,443	Valid
19	0,741	0,445	Valid
20	0,654		Valid
21	0,521		Valid
22	0,704		Valid
23	0,694		Valid

From the table above, it can be seen that each statement has a correlation coefficient higher than 0.443. Therefore, it can be concluded that all indicators have met the data validity criteria.

## **Reliability Test**

The questionnaire is considered reliable or reliable if the respondent's answers to the questions in it are consistent over time. In this study, the reliability test was carried out using the Cronbach's Alpha method. A variable is declared reliable if the Cronbach's Alpha coefficient is more than 0.60. The following are the results of these measurements:

No	Variable	Cronbach Alpha	Value Alpha	Description
1	Purchase Decision	0,704		Reliabel
2	Brand Equity	0,783	0,60	Reliabel
4	Marketing Mix	0,856		Reliabel

 Table 2. Reliability Test Results

The tests carried out in this study showed reliable results with a Cronbach's Alpha value> 0.60. The results of this reliability test confirm that the statements in this research questionnaire are reliable.

#### NORMALITY TEST

The normality test is carried out to assess whether the regression model and all its variables follow a normal distribution or not. The distribution is considered normal if the significance value is greater than 0.05.

One-Sample Kolmogorov-Smirnov Test					
		Unstandardize			
		d Residual			
Ν	100				
Normal	Mean	,0000000			
Parameters	Std. Deviation	1,59380187			
Most Extreme	Absolute	,051			
Differences	Positive	,035			
	Negative	-,051			
Test Statistic	,051				
Asymp. Sig. (2-tai	, <mark>200<sup>c.d</sup></mark>				

**Table 3. Normality Test Results** 

From the output above, it is obtained that the value of Asymp. Sig. (2-tailed) is 0.200, which exceeds 0.05. Hence, the standardized residuals are considered normally distributed.

### **Test Heteroscedacticity**

The heteroscedasticity test aims to assess whether there are differences in residual variances among different observations in the regression analysis.

	<b>Coefficients</b> <sup>a</sup>							
		Unstandardized		Standardized				
Mo	odel	Coefficie	nts	Coefficients				
		В	Std. Error	Beta	t	Sig.		
	(Constant)	-	1,160		-,183	,855		
		,213						
	Brand Equity	-	,046	-,003	-,023	<mark>,982</mark>		
		,001						
	Marketing	,036	,038	,134	,935	<mark>,352</mark>		
	Mix							
	a. Dependent Variable: Abs_RES							

 Table 4. Heteroscedasticity Test Results

Based on the output table above, it can be concluded that the regression model is free from symptoms of heteroscedasticity. This can be seen from the significance value of the brand equity variable (X1) of 0.982 and marketing mix (X2) of 0.352, all of which are greater than 0.05. Thus, the resulting regression model does not show symptoms of heteroscedasticity.

# **Collinearity Test**

The multicollinearity test aims to ensure that there is no perfect relationship between the independent variables in multiple linear regression. This test is done by looking at the Variance Inflation Factor (VIF) value. If the VIF value < 10 or the tolerance value > 0.10, it can be concluded that multicollinearity does not occur.

	Coefficients							
Mod	Unstandardized Model Coefficients			Standardized Coefficients			Collinearity	y Statistics
		В	Std. Error	Beta	t	Sig.	Tolerance	VIF
	(Constant)	5,617	1,990		2,823	,00		
						6		
	Brand Equity	,433	,079	,532	5,496	,00	<mark>,494</mark>	<mark>2,026</mark>
						0		
	Marketing Mix	,179	,066	,264	2,728	,00	<mark>,494</mark>	<mark>2,026</mark>
						8		
	a. Dependent V	ariable: Y						

**Table 5. Collinearity Test Results** 

Based on the output on the coefficient, the Tolerance value for the brand equity variable (X1) is 0.494 and the marketing mix (X2) is 0.494, both of which exceed 0.1. In addition, the Variance Inflation Factor (VIF) value for the brand equity (X1) variable is 2.026 and marketing mix (X2) 2.026, both of which are below 10. Thus, this regression model does not show symptoms of multicollinearity.

# **Multiple Linear Regression Analysis**

The results of SPSS calculations for multiple linear regression tests can be seen in the following table:

Model	del Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	В	Std. Error	Beta		-
(Constant)	<mark>5,617</mark>	1,990		2,823	,006
Brand Equity	<mark>,433</mark>	,079	,532	5,496	,000
Marketing Mix	,179	,066	,264	2,728	,008

**Table 6. Multiple Linear Regression** 

From the regression analysis results, the multiple regression equation is obtained as follows:

 $Y = 5,617 + 0,433 X_1 + 0,179 X_2 + e$ 

Based on this equation, the explanation is as follows:

- a. The constant of 5.617 indicates that if the Brand Equity and Marketing Mix variables are considered zero, the purchase decision will be worth 5.617
- b. The X1 coefficient of 0.433 means that every time there is an increase in variable X1 (brand equity) by 1%, the purchasing decision increases by 0.433 (43.3%) or vice versa, every time there is a decrease in variable X1 (brand equity) by 1%, the purchasing decision decreases by 0.433 (43.3%).
- c. The X2 coefficient of 0.179 means that every time there is an increase in the X2 (marketing mix) variable by 1%, the purchasing decision increases by 0.179 (17.9%) or vice versa, every time there is a decrease in the X2 (marketing mix) variable by 1%, the purchasing decision decreases by 0.179 (17.9%).

### **Determination Coefficient Test**

The coefficient of determination  $(R^2)$  serves to measure the extent of the model's ability to explain variations in the dependent variable.

Model Summary							
Modal	adal D	D C quara	Adjusted	R	Std.	Error	of
Model R	R Square	Square		the H	Estimate	e	
1	,743 <sup>a</sup>	<mark>,552</mark>	,543		1,61	015	
a. Predi	ctors: (C	Constant), Mai	rketing Mix,	Bra	nd E	quity	

**Table 7. Determination Coefficient Test Results** 

The R<sup>2</sup> test results in this study show a value of 0.552. This means that purchasing decisions are influenced by brand equity and marketing mix by 55.2%. Meanwhile, the remaining 44.8% is influenced by other factors not examined in this study.

### Partial Test (T-Test)

The t statistical test is used to determine whether the independent variable partially affects the dependent variable. This study applies a one-way test with a significance level of 5%.

Coef	ficients					
Mod	el	Unstandardized	Coefficients	Standardized Coefficients	t	Sig.
		В	Std. Error	Beta		-
1	(Constant)	5,617	1,990		2,823	,006
	Brand Equity	,433	,079	,532	<mark>5,496</mark>	<mark>,000</mark>
	Marketing Mix	,179	,066	,264	<mark>2,728</mark>	<mark>,008</mark>
a. De	a. Dependent Variable: Y					

# **Table 8. Partial Significance Test Results**

# H1: Brand Equity influences Purchasing Decisions

The statistical results of the t test for the brand equity variable show a tcount value of 5.496 and a ttable value of 1.661 (5.496 > 1.661) and a significance value of 0.000 which is smaller than 0.05 (0.000 < 0.05). Therefore, the first hypothesis which states that "Brand Equity affects Purchasing Decisions" is accepted. The results of this study also support previous research conducted by (Mahmud, 2022) and (Tresna et al., 2021) which states that brand equity influences purchasing decisions.

# H2: Marketing Mix influences Purchasing Decisions

The statistical results of the t test for the marketing mix variable show a t-count value of 2.728 and a t-table value of 1.661 (2.728> 1.661) and a significance value of 0.008 which is smaller than 0.05 (0.000 < 0.05). Therefore, the second hypothesis which states that "Marketing mix affects Purchasing Decisions" is accepted. The results of this study also support previous research conducted by (Muhammad Yusuf & Nuuridha Matiin, 2023)

# ANOVA TEST (F-Test)

The f-test is used to test the third hypothesis (H3), namely to assess whether brand equity (X1) and marketing mix (H2) together have a significant influence on Purchasing Decisions (Y).

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	309,830	2	154,915	<mark>59,753</mark>	,000
1	Residual	251,480	97	2,593		
	Total	561,310	99			
a. Dep	endent Variable:	Ϋ́	•			
b. Pred	lictors: (Constant)	, Marketing Mix,	Brand Eq	uity		

**Table 9. ANOVA Test Results** 

### H3: Brand Equity and Marketing mix simultaneously influence purchasing decisions.

From the test results, the Fcount value is 59.753 and the Ftable value is 3.09 (59.753> 3.09), with a significance of 0.000 (0.000 < 0.05). Because the significance value is less than 0.05 (0.000 < 0.05), it can be concluded that the third hypothesis which states that "Brand equity and Marketing mix simultaneously affect purchasing decisions" is accepted.

### **Analysis Sem-Pls**

In data analysis using Structural Equation Modeling-Partial Least Squares (SEM-PLS) with the help of SmartPLS version 3 software, there are two main stages in the PLS calculation process, namely the Measurement Model (Outer Model) and Structural Model (Inner Model).

### **1. OUTER MODEL**

#### Validity Convergent

The first step in the measurement model is to test convergent validity by checking the outer loading which must be greater than 0.5 to be considered valid.

Variabel	Value AVE	Criteria
X1	0,590	Valid
X <sub>2</sub>	0,520	Valid
Y	0,528	Valid

**Table 10. Validity Convergent Test Results** 

Based on the table above, all variables have an AVE value greater than 0.50, which means that all variables meet the criteria for convergent validity. Thus, each variable can be considered valid in explaining the variance of its indicators.

#### **DISCRIMINANT VALIDITY**

*Discriminant validity* can be tested by looking at the *cross loading* value, where each indicator must have a higher value on the measured construct compared to the value of the indicator on other constructs. (Hair et al., 2021).

Indicator	<b>Brand Equity</b>	Marketing Mix	<b>Purchase Decisions</b>
A3	<mark>0.778</mark>	0.511	0.546
A4	<mark>0.827</mark>	0.495	0.619
A6	<mark>0.696</mark>	0.354	0.437
A7	<mark>0.766</mark>	0.469	0.563
B1	0.344	<mark>0.659</mark>	0.488
B3	0.318	<mark>0.635</mark>	0.392

**Table 11. Validity Discriminant Test Results** 

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B4	0.337	<mark>0.769</mark>	0.442
B5	0.620	<mark>0.795</mark>	0.575
B6	0.493	<mark>0.733</mark>	0.436
Y1	0.372	0.479	<mark>0.719</mark>
Y2	0.623	0.428	<mark>0.764</mark>
Y3	0.661	0.463	<mark>0.800</mark>
Y4	0.347	0.566	<mark>0.610</mark>

All indicators show higher values on the measured constructs compared to the values on other constructs. Thus, the discriminant validity test results meet the validity criteria.

## **Reliability Test**

Reliability is a measure of the internal consistency of the indicators of a variable. Construct reliability can be evaluated through the Cronbach's Alpha and Composite Reliability values. A construct is considered to have high reliability if the Cronbach's Alpha and Composite Reliability values are more than 0.7.

**Table 12. Reliability Test Results** 

	Cronbach's Alpha	Composite Reliability (rho_a)	Composite Reliability (rho_c)
$X_1$	0.769	0.780	0.852
X2	0.767	0.715	0.816
Y	0.700	0.715	0.843

Based on the results of the following table, variables X1, X2, and Y have high reliability because the Cronbach's Alpha and Composite Reliability values are both more than 0.7. Overall, the outer model has acceptable reliability.

## 2. INNER MODEL

### **R-Square**

The R-square ( $R^2$ ) value is used to measure the extent to which the independent latent variables affect the dependent variable. In the assessment criteria, an  $R^2$  value below 0.25 indicates a weak model, a value between 0.25 to 0.50 indicates a moderate model, and a value above 0.75 indicates a strong model. The following are the results of the R-square test.

Table 13. Uji R-square Test Results

Variable	R square	R-square
		adjusted
Y	0,588	<mark>0,580</mark>

Based on the results above, the model used to explain variable Y shows quite good strength with an adjusted R-square value of 0.580. This means that 58% of the variation in the dependent variable Y can be explained by the independent variables contained in the model.

### **F-Square**

The F-square test is used to assess how much influence the independent variable has on the dependent variable in a model. The F-square value can be interpreted as follows: a value of 0.02 indicates a small or low influence, a value of 0.15 indicates a moderate influence, and a value of 0.35 indicates a large influence. The following are the results of the F-square test.

Correlations	F square
Variabel	
X1 <-> Y	0,382
X <sub>2</sub> <-> Y	0,199

**Table 14. F-square Test Results** 

The F-square test results show that variable X1 has a large influence on the dependent variable Y, while X2 has a moderate influence. This indicates that variable X1 makes a more significant contribution in explaining variations in Y compared to X2.

### **Hypothesis Test**

Hypothesis testing is a process to test the proposed relationship between the variables in the model. The purpose of this test is to determine whether there is sufficient evidence to support or reject the hypothesis proposed about the effect of one variable on another. The hypothesis preparation is as follows;

H0 : P values > 0,05 and T-statistics < 1,96, No significant effect between the independent variable and the dependent variable

H1 : P values < 0.05 and T-statistics > 1.96There is a significant influence between the independent variable and the dependent variable.

 Table 15. Hypothesis Test Results

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values
$X_1 \rightarrow Y$	0.496	0.505	0.107	<mark>4.655</mark>	<mark>0.000</mark>
$X_2 \rightarrow Y$	0.358	0.356	0.104	<mark>3.440</mark>	0.001

Based on the results of hypothesis testing, all independent variables (Brand Equity and Marketing Mix) have a significant influence on Purchasing Decisions for contemporary franchise beverage products in Gorontalo City, with a P value that is far below 0.05 and a T-statistics value greater than 1.96. This shows that there is strong evidence to support the significant relationship between these variables in the model that has been tested. The

following is a recapitulation of the Structural Equation Modeling-Partial Least Structural (SEM-PLS) model.

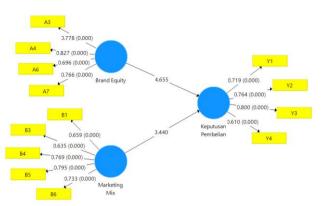


Image 3.Recapitulation Results Model Structural Equation Modelling-Partial Least Structural (SEM-PLS)

## 4. CONCLUSION

Based on the results of research on the effect of brand equity and marketing mix on purchasing decisions for contemporary franchise beverage products in Gorontalo City using the Structural Equation Modeling method, the following results were obtained:

- 1) Brand Equity has a positive and significant effect on purchasing decisions. This can be proven that the tcount of 5.496 is greater than the t table of 1.661, so that H0 is rejected and H1 is accepted. This means that statistically, with a confidence level of 5% ( $\alpha = 0.05$ ), brand equity has a positive influence on purchasing decisions In other words, an increase in brand equity will lead to an increase in purchasing decisions.
- 2) Marketing mix has a positive and significant effect on purchasing decisions. This can be proven that the tcount value of 2.728 is greater than the ttable 1.661, so H0 is rejected and H2 is accepted. Statistically, with a confidence level of 5% ( $\alpha = 0.05$ ), the marketing mix has a positive influence on purchasing decisions. This means that an increase in the marketing mix will lead to an increase in purchasing decisions.
- 3) Brand equity and marketing mix simultaneously influence purchasing decisions. This can be proven that with a 95% confidence level and a 5% error rate, Ftable is obtained at 3.09 and Fcount is 59.753. Because Fcount is greater than Ftable, H0 is rejected and H3 is accepted. This shows that brand equity and marketing mix together have an influence on purchasing decisions.
- 4) The results of hypothesis testing using the Strucutral Equation Modeling-Partial Least Squares (SEM-PLS) method show that brand equity and marketing mix have p-values

that are far below 0.05 and the T-statistics value is greater than 1.96. This suggests there is strong evidence to support a significant relationship between these variables in the tested model.

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