

**THE IMPACT OF BRAND EQUITY TOWARDS PROMOTIONAL  
STRATEGIES OF TM'S INTERNET SERVICES**

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Report submitted in fulfilment of the requirement for the degree of Bachelor of  
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Faculty of Technology Management and Technopreneurship  
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## DECLARATION

“I declare that this project is the result of my own research except as cited in the references. The research project has not been published for any degree and is not concurrently submitted in candidature of any other degree.”

Signature : .....

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Date : .....

## DEDICATION

I would like to dedicate the appreciation to my families, lecturers and friends.

## ACKNOWLEDGEMENT

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## ABSTRACT

Promotional strategies had become the necessary for each of the company in their marketing effort nowadays. It is influenced by the brand of the company and the product itself which it gave impact in the promotion of the product. Both permanent and cumulative sales also effects from marketing promotions are greater for brands with higher equity and more product introductions, whereas brands with low equity gain greater benefits from product introductions. Competition between the company with others where in the same industry lead to the developing of the brand equity and the innovation in the product growth. In this case study, there were three elements of brand equity that included which were brand awareness, brand loyalty and perceived quality. The research design that been used to get the data analysis was by using quantitative method through survey by distributed the questionnaire. The scope of this research is in area of Melaka city and the state nearest. Number of respondents are 150 respondents that are had used or are currently using TM's internet services. The result of this research could be showing on the most important elements in brand equity either brand awareness, brand loyalty and perceived quality which help the most in the promotional strategies of TM's internet services. Based on the result, this research had come with the finding that the most important element of brand equity that gave impact to the promotional strategies of the TM's internet services was perceived quality.

**Keywords:** Promotional strategies, Telekom Malaysia (TM), Brand equity, Brand awareness, Brand loyalty, Perceived quality

## ABSTRAK

*Strategi promosi telah menjadi keperluan bagi setiap syarikat dalam usaha pemasaran mereka pada masa kini. Ia dipengaruhi oleh jenama syarikat dan produk mereka sendiri yang mana akan memberi kesan dalam promosi produk mereka. Kedua-dua jualan kekal dan terkumpul juga adalah kesan daripada promosi pemasaran yang lebih besar untuk jenama dengan ekuiti yang lebih tinggi dan lebih pengenalan produk, manakala jenama dengan keuntungan ekuiti rendah memperoleh manfaat yang lebih besar daripada pengenalan produk. Persaingan satu syarikat dengan syarikat lain di mana dalam satu industri yang sama membawa kepada pembangunan ekuiti jenama dan inovasi dalam pertumbuhan produk. Dalam kajian kes ini, terdapat tiga elemen ekuiti jenama yang dimasukkan iaitu kesedaran jenama, kesetiaan jenama dan tanggapan kualiti. Reka bentuk kajian yang digunakan untuk mendapatkan analisis data adalah dengan menggunakan kaedah kuantitatif melalui kaji selidik dengan menggunakan soalan selidik yang diedarkan. Skop kajian ini adalah di kawasan bandar Melaka dan negeri yang terdekat. Bilangan responden ialah 150 responden yang telah pernah menggunakan atau sedang menggunakan perkhidmatan internet TM. Hasil kajian ini dapat menunjukkan bahawa antara elemen yang paling penting dalam ekuiti jenama ialah kesedaran jenama, kesetiaan jenama dan tanggapan kualiti yang mana dapat membantu dalam strategi promosi bagi perkhidmatan internet TM. Berdasarkan keputusan itu, kajian ini dapat merumuskan bahawa elemen yang paling penting dalam ekuiti jenama yang memberikan kesan kepada strategi promosi perkhidmatan internet TM ialah tanggapan kualiti.*

**Kata Kunci:** Strategi promosi, Telekom Malaysia (TM), Ekuiti jenama, Kesedaran jenama, Kesetiaan jenama, Tanggapan kualiti



## TABLE OF CONTENTS

CHAPTER	CONTENT	PAGE
	<b>TITLE PAGE</b>	i
	<b>DECLARATION</b>	ii
	<b>DEDICATION</b>	iii
	<b>ACKNOWLEDGEMENT</b>	iv
	<b>ABSTRACT</b>	v
	<b>ABSTRAK</b>	vi
	<b>TABLE OF CONTENTS</b>	vii-ix
	<b>LIST OF TABLES</b>	x
	<b>LIST OF FIGURES</b>	xi
	<b>LIST OF APPENDICES</b>	xii
	<b>LIST OF ABBREVIATION</b>	xiii
<b>CHAPTER 1</b>	<b>INTRODUCTION</b>	
	1.1 Background of Study	1-2
	1.2 Problem Statement	3
	1.3 Research Question	3
	1.4 Research Objective	4
	1.5 Scope and Limitation of Study	4
	1.6 Important of Study	5
	1.7 Summary	5
<b>CHAPTER 2</b>	<b>LITERATURE REVIEW</b>	
	2.1 Introduction	6
	2.2 The Value of Brand	6-7
	2.2.1 The Role of Brand Equity	7-9

2.2.2	Definitions of Brand Equity	9-10
2.3	Customer-Based Brand Equity Model	10-11
2.3.1	Brand Awareness	11
2.3.2	Brand Loyalty	11-12
2.3.3	Perceived Quality	12-13
2.4	7P's of Marketing Mix	13
2.4.1	Advertising	14
2.4.2	Sales Promotion	14
2.4.3	Public Relation	15
2.5	Theoretical Framework	16-17
2.5	Summary	18
<b>CHAPTER 3</b>	<b>RESEARCH METHOD</b>	
3.1	Introduction	19
3.2	Research Design	19-20
3.3	Methodological Choice	20
3.4	Primary Data Sources and Secondary Data Sources	20-21
3.5	Location of Research	21
3.6	Questionnaire Design	21
3.7	Sample Design	22
3.8	Research Strategy	22
3.9	Data Analysis Method	22
3.10	Validity & Reliability	23
3.11	Summary	23
<b>CHAPTER 4</b>	<b>DATA ANALYSIS AND DISCUSSION</b>	
4.1	Introduction	24
4.2	Demographic	25-28
4.3	Product and Service Background	28-34

4.4	Result of Measurement	34-37
4.5	Hypothesis Testing	37-41
4.6	Multiple Regression Analysis	42-43
4.7	Summary	44
<b>CHAPTER 5</b>	<b>DISCUSSION AND CONCLUSION</b>	
5.1	Introduction	45
5.2	Summary of Descriptive	45-46
5.3	Summary of Product and Service Background	46-48
5.4	Scale Measurement	48
5.5	Discussion of Objectives and Hypothesis Test	49-54
5.6	Limitation of study	54-55
5.7	Recommendation for Future Research	55-56
5.8	Summary	56-57
	<b>REFERENCE</b>	58-60
	<b>APPENDIX</b>	61-70

## LIST OF TABLES

TABLE	TITLE	PAGE
4.1	Gender	25
4.2	Age	26
4.3	Education Level	26
4.4	Employment Status	27
4.5	Current Income Level	27
4.6	State	28
4.7	Heard and Used TM's Services	28
4.8	Types of TM's Product	29
4.9	Reasons of Choosing TM's Services	30
4.10	Sources of TM's Information	31
4.11	Last Time Seen TM's Promotion	32
4.12	Users Opinion About TM's Promotion	32
4.13	Latest TM's Promotion	33
4.14	Users Opinion In Repurchase TM's Services	34
4.15	The Result of Correlation Analysis for All Variable	35
4.16	Cronbach's Alpha Coefficient Range	36
4.17	Reliability Statistics	37
4.18	Simple Regression Result for Hypothesis 1	38
4.19	Simple Regression Result for Hypothesis 2	39
4.20	Model Summary of Multiple Regression	42
4.21	ANOVA Table of Multiple Regression	43

**LIST OF FIGURE**

<b>FIGURE</b>	<b>TITTLE</b>	<b>PAGE</b>
1	Theoretical Framework	18

**LIST OF APPENDICES**

<b>APPENDIX NO.</b>	<b>TITTLE</b>	<b>PAGE</b>
1	Questionnaire	61-68
2	Gantt Chart for PSM I	69
3	Gantt Chart for PSM II	70

**LIST OF ABBREVIATIONS**

TM	Telekom Malaysia
DSL	Digital Subscriber Line
ADSL	Asymmetrical Digital Subscriber Line
SDSL	Symmetrical Digital Subscriber Line
IPTV	Internet Protocol Television
FTTH	Fibre to the Home
VDSL 2	Very High Speed Digital Subscriber Line 2
TV	Television
CBBE	Customer Based Brand Equity

## CHAPTER 1

### INTRODUCTION

#### 1.1 Background of Study

As the use of the gadgets such as laptops, smartphones and tablets had become one of the most important things nowadays; it was commonly related to the connectivity to the internet. People now used the social media and internet as their first communication tools with others. Most of them looked for the internet connection to surf the internet, do their work and got online in their social media anywhere even they are at their home.

Telekom Malaysia (TM) was the largest company that integrate communications solutions provider in Malaysia. It also one of the Asia's leading communication companies that also lead the broadband service provider. From the official Telekom Malaysia website, [www.tm.com.my](http://www.tm.com.my), TM was established in 1946 as Telecommunications Department in Malaya.

The one of the TM's broadband was the Streamyx which have been introduced in 2001. After providing the best internet to the 1.43 million of customers, Streamyx eventually had their own brand name and hold their own brand equity. Streamyx was an Internet access service with high-speed broadband which provided connection to the Internet with speed from 384kbps and up to 8Mbps. This service can support most broadband application such as Web Hosting, e-commerce, distance learning and video streaming. Streamyx also provided the always-on connection where the connection always running and never disconnected. It provided fast and instant Internet access which was suitable for the users that need to download or



upload large file over the Internet. Streamyx used the xDSL technologies which xDSL was the term used refers to the different variation of Digital Subscriber Line (DSL) services which include the Asymmetrical Digital Subscriber Line (ADSL) and Symmetrical Digital Subscriber Line (SDSL) technologies that help to support the Streamyx network. ADSL technology allowed to access Internet and used the phone or the fax at the same time. For ADSL, it had different upstream and downstream data transfer rate where upstream is higher than downstream. While SDSL offers the customer a symmetric upstream and downstream with the same speed but it did not allow voice or fax over the same copper. By providing the best Internet service, Streamyx had its own brand equity. The brand equity referred to the value of a product with a brand name comparison with that if the same product did not have a brand name (Keller, 2003). Although a number of different views of brand equity have been expressed, they are all generally consistent with the basic that brand equity represents the added value endowed to a product or a service as result of past investment in the marketing for the brand (Keller, 1993).

UniFi was another broadband service from the TM that used fibre optics to deliver high speed phone, internet and Internet Protocol Television (IPTV) services to customers home. It was divided into two technologies used based on the type of the customer premise. Fibre to the Home (FTTH) will be used if the customer premise was a landed property while very high speed Digital Subscriber Line 2 (VDSL 2) will be used if the customer premise was a high rise building. The benefits gained from the UniFi, it can download large quality movies and music in a short period of time, can enjoy television (TV) over broadband IPTV where TV channels can be accessed through private network and play online and study online in high resolution. The introduction of UniFi by TM was an innovation of their product and services.

## 1.2 Problem Statement

TM was known as one of the broadband service providers but nowadays, there were too many other companies that tried to meet the customer and provide them the best internet services. This was happened because of a few problem that faced by the TM's company. One of the problems was the marketing and promotion which was not very strong by TM towards their product and services. The customers also did not really gain the trust from the company about the product and services given by the TM. Other than that, TM also faced the problem that some of their customer was not loyal to their services and moved to the other internet services provided by other companies such as Celcom, Digi, Maxis and U Mobile.

## 1.3 Research Questions

The purpose of this study to identify the impact of the brand equity towards the promotional strategies of TM's product and services which was focused on their internet services. In evaluating the statement, this study attempted to answer the following questions:

RQ1: What are the elements of brand equity of TM's internet services?

RQ2: What is the most important element of brand equity that gives impact towards the TM's promotional strategies?

RQ3: What is the relationship between brand equity and promotional strategies of TM's internet services?

## **1.4 Research Objectives**

This study intended to find out a few objectives that need to be achieved. The objectives were:

RO1: To identify the elements of brand equity of TM's internet services.

RO2: To analyse the most important element of brand equity that gives impact towards the promotional strategies of TM's internet services.

RO3: To understand the relationship between brand equity and promotional strategies of TM's internet services.

## **1.5 Scope and Limitation of the Study**

Scope of the study in this report was limited to do survey to the people who were currently using the TM's internet services. This study used to do the survey by distribute questionnaire to the 150 respondents.

Limitation of this study was the lack of knowledge of the researcher to do the research as the researcher still new to this field of study. The short period of time also was the limitation for the researcher to do this research because of the study commitment. Furthermore, the researcher had faced limitation when he/she wanted to distribute the questionnaire where he/she need to look for the respondent that willing to spend their time to answer the questionnaire.

## **1.6 Importance of Study**

This study allowed the researcher to learn and understand about the impact of the brand equity that been hold by TM towards the promotional strategies of their internet services. Through this research, the result that had been gained may be useful to the researcher. It also can be used by the lecturers and to the students. Furthermore, it may help the telecommunication industry to improve their brand image and the brand equity so that they can increase their sales and margin. This research also was useful to the TM's company where it gave benefit to add up their promotion strategy and built strong brand equity.

## **1.7 Summary**

This chapter was the foundation of the study that intended to understand the impact of the brand equity on TM's promotional strategies. Through this chapter, it introduced to the background of study, problem statement, research questions and objectives, scope and limitation of the study and lastly was the importance of this study. The researcher can move to the Chapter Two which will discuss more about this study in the literature review.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Introduction

Literature review was an analysis of a published body of knowledge and be written through the summary, classification of the research studies, review of the literature and the theoretical framework.

This research was going to identify the impact of the brand equity on promotional strategies towards the TM's product and services. This literature concerning on a few role and the important of the brand equity for the TM's company which it gave impact to the long-term of promotional strategies of their product and focus on the brand equity that TM's hold in order to make sure that the products and services were going to be high demand in the market for a long period of time.

#### 2.2 The Value of Brand

A brand is a name, term, sign, symbol, or design, or a combination of them intended to identify the goods or services of one seller from among a group of sellers and to differentiate them from those of the competitors. The challenge in branding is to develop a deep set of meanings for the brand. Perhaps the most distinctive skill of professional marketers is their ability to create, maintain, protect, and enhance brands Kotler, (1994). According to Ferrel, (2014) brands help customer to identify specific

product that they do like and do not like which it help them to satisfy and reduce the time required to purchase the product. From a customer perspective, a brand is a pledge or a promise that how product will performed in certain way and provide customer with consistence performance.

A brand is not a product: it is the product's source, its meaning and its direction, and it defines its identity in time and space. Too often brands are examined through their component parts: the brand name, its logo, design, packaging, advertising or name recognition Doyle (1998).

According to Swait et al. (1993), the second measure pertains to the notion that well-differentiated brands can command higher regular prices and margins than otherwise similar goods.

According to Kotler (1994), brands vary in the amount of power and value they have in the marketplace. Brands are complex entities, but ultimately they reside in consumers' minds. Consumers are not passive recipients of marketing activity and consequently branding is not something done to consumers, but rather something customers do things with.

According to Mohr et el. (2014), the brand represent an emotional connection with company and its products and also represent a bond or a pact whose special meaning frequently transcends the functional or utilitarian benefits of product.

### **2.2.1 The Role of Brand Equity**

Brand equity refers to the value of a product with a brand name comparison with that if the same product did not have a brand name (Keller, 2003). Brand equity also can be defined as it has value to a branding company and to a brand's user. This can be seen when we identify the customer response either choose the same brand of product and service or choose the unbranded one. Advertising affects brand equity

through brand associations and perceived quality. Perceived advertising spending contributes to brand equity (Villarejo-Ramos and Sanchez-Franco, 2005).

Brand equity is a key marketing asset (Ambler 2003). According to (Ailawadi et al. (2003), we base our brand equity measure on the difference in revenue a branded product generates in comparison with the private label. It is important to control for market share effects when analyse the explanatory power of brand equity (Keller and Lehmann 2006). Therefore, we empirically isolate the effects that are specific to brand equity from those that involve market share and marketing activity levels as revenue premium and market share are correlated but conceptually different measures.

Furthermore, the brand equity also gives some value to the customer and to the company. Brand equity creates value to customers by enhancing efficient information processing and shopping, building confidence in decision making, reinforcing buying, and contributing to self-esteem. Brand equity creates value to firms by increasing marketing efficiency and effectiveness, building brand loyalty, improving profit margins, gaining leverage over retailers, and achieving distinctiveness over the competition (Bagozzi et al, 1998).

According to Keller (1998), brand equity is also defined in terms of the marketing effects uniquely attributable to the brand. That is, brand equity relates to the fact that different outcomes result from the marketing of a product or service because of its brand element, as compared to outcomes if that same product or service did not have that brand identification. The differences between the branded and unbranded product is the branded product will have the greater purchase rather than the other one. It is because both of the brands have different level of brand equity. When a brand have a stronger equity, customer hold more favourable, powerful, and unique associations with the brand and have more established familiarity with the brand.

Over the last 15 years, brand equity has become more important as the key to understanding the objectives, the mechanisms, and net impact of the holistic impact of marketing (Reynolds and Phillips 2005). In this context, it is not surprising that measures capturing aspects of brand equity have become part of a set of marketing performance indicators (Ambler 2003).

### 2.2.2 Definition of Brand Equity

Study	Description of the Concept
The Marketing Science Institute (Leuthesser 1988)	The set of associations and behaviours on the part of the brand's consumers, channel members, and parent corporation that permits the brand to earn greater volume or greater margins than it would without the brand name and that gives the brand a strong, sustainable, and differentiated advantage over competitors.
Aaker (1991)	The value consumers associate with a brand, as reflected in the dimensions of brand awareness, brand associations, perceived quality, brand loyalty and other proprietary brand asset.
Swait et al (1993)	The consumer's implicit valuation of the brand in a market with differentiated brands relative to a market with no brand differentiation. Brands act as a signal or cue regarding the nature of product and service quality and reliability and image/status.
Kamakura & Russell 1993 (Lassar et al.1995)	Customer-based brand equity occurs when the consumer is familiar with the brand and holds some favorable, strong, and unique brand associations in the memory.
Keller 1993	The differential effect of brand knowledge on consumer response to the marketing of the brand. Brand knowledge is the full set of brand associations linked to the brand in long-term consumer memory