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ABSTRACT

Hendrik Fernando (0905231456), The Effect of Brand Association to Consumer Responses to Accept Brand Extension; to Recommend the Brand and to Pay Premium Price, xvii pages, 210 pages, 21 figures, 47 tables, 6 attachments, 31 bibliographies.

Mobile Phones Industry has increased and more competitive nowadays. It could be seen from the variety of mobile phones product segmentation. So that, many of company created an innovative product mobile phones with the multifunction and usage from brand they offered. This challenge was answered by Nokia which became the producer of mobile phones branded.

The purpose from this research was to find out what the consumer perception about the brand association based on the brand function of Nokia and the effect to their responses. In this study, used four variables that build Brand Function such as Guarantee Function, Personal Identification, Social Identification and Status was measured the positive influence on consumer responses to accept brand extensions, to recommend the brand and to pay the premium price.

This research was conducted during December 2007. To support this research, 130 questions were distributed, consisted of 26 questions that related to all indicators as mentioned above. This research used the combination of purposive sampling and accidental convenience sampling. Factor analysis and multiple linear regression were used to analyze the data.

This research found that dimensions that build brand extensions which had a significant influence to the consumer response to accept brand extensions were Guarantee Function and Social Identification had a significant influence; Personal Identification and Status have not a significant influence. The dimensions that build brand functions which had a significant influence to the consumer response to recommend the brand were Guarantee Function, Personal Identification and Social Identification function. And the last the dimensions that build brand function which had a positive influence to the consumer response to pay premium price were Guarantee Function, Personal Identification Function and Status had a significant influence; Social Identification had not a significant influence.