

CHAPTER I

INTRODUCTION

I.1 Background

In the modern world where people needs and wants keep on escalating, vast number of products and services created to fulfill them. We need them as much as they need us, consumers. Product and service corporation are everywhere. They advertise heavily everyday, every time no matter we realize it or not. They surrounded us. They are inescapable: brands of blue jeans, computer processors, instant noodles, convenient stores, and automobiles. But so many brands offered almost the same physiological satisfaction that sometimes consumers can not differ one to another. They all are trying hard to be noticed, often at the same time, seeking to persuade consumers to experience their brands for the first time and hoping that they will come back to them continuously asking for more of their products or services.

Today, marketing does not merely interpreted into the meaning of positioning, differentiation, and brands wrapped in the brand identity, brand integrity, and brand image, but also have to be sited further and deeper. Marketing must be understood not in the old sense of making sale “telling and selling” but in new sense of satisfying customer needs. While the needs are keep on growing, marketing itself is imperfect if only embrace the meaning of marketing; it has also embraced marketing the meaning.

The conception related with the pressure that the world of marketing need to shows it values beyond the functional or emotional utilizations of products or services, instead also bring out the spiritual use. So that marketing approach should be done with value-based. By found on the values, it is assured the goal is going to be different. The brand owner corporation will not merely giving satisfaction, or aiming profitability, instead posses compassion and sustainability.

Brands that include values on their marketing process are expected to gain high reputation and differentiation that no other brands could match. Brands that have succeeded sharing values with their customer for a prolonged time will experience something fanatical. Not only customers will always come back for more products or services from them, but also they will do whatever the brands are doing, it became more than just emotional. The price is no longer a problem. Whenever and wherever they discuss the brand, feelings of fun, joy, bemused, adoration, and sympathy unmatchable by anything are aroused.

These brand holder companies did not earn it over night. They battle, they struggle, they survive through time and overcome all obstacles they had. They fight because they believe that the brand represents something, something that also they honestly value. Branding is a process, not merely a logo. The understanding of values has to be done as a process that never stops. Because without process, a brand will not likely to live. Just like comprehension of a religion, branding will also having an improvement if the comprehension process is done continuously.

Apple is one of a few brands that stand in the front line to represent this sort of brand devotion. They have one of the biggest customer communities in the world. They called themselves as MUGs (Macintosh User Groups). Globally, they are loyal and uncompromising.

Apple Inc. is an American multinational corporation that designs and manufactures consumer electronics and computer software products. The company's best-known hardware products include Macintosh computers, the iPod and the iPhone. Apple software includes the Mac OS X operating system, the iTunes media browser, the iLife suite of multimedia and creativity software, the iWork suite of productivity software, Final Cut Studio, a suite of professional audio and film-industry software products, and Logic Studio, a suite of audio tools. The company operates more than 250 retail stores in nine countries and an online store where hardware and software products are sold.

Established in Cupertino, California on April 1, 1976 and incorporated January 3, 1977, the company was called Apple Computer, Inc. for its first 30 years, but dropped the word "Computer" on January 9, 2007 to reflect the company's ongoing expansion into the consumer electronics market in addition to its traditional focus on personal computers. Apple has about 35,000 employees worldwide and had worldwide annual sales of US\$32.48 billion in its fiscal year ending September 29, 2008. For reasons as various as its philosophy of comprehensive aesthetic design to its distinctive advertising campaigns, Apple has established a unique reputation in the

consumer electronics industry. This includes a customer base that is devoted to the company and its brand, particularly in the United States. Fortune magazine named Apple the most admired company in the United States in 2008 and in the world in 2009.

In this study we will examine some antecedents that determine why some brands can crystallize and worshiped by its customers. Why they could create such devotion that continuously lived within the customers' mind, heart, and body. Why the customers, by their own conciseness, do sacrificed their money, time, efforts to make these brands even better and still feeling happy for it. Further, this study will compare if such devotion also existed in Indonesia, particularly in Jogjakarta. Do they embrace the same values? Are the relationships between the customers with the brand also unbreakable as happens in the brands country of origin?

I.2 Problem Identification

The definition of problem is any situation where gap exist between the actual and desired ideal states, while problem definition is a clear, precise, and succinct statement of the question or issue that is to be investigated with the goal of finding an answer or solution (Sekaran, 2000, p. 69).

From the background above, the problems which will be researched as the following:

1. Does such consumer devotion to a certain brand exist in Indonesia, particularly in Jogjakarta?
2. If so, are the antecedents or the influential factors that created that devotion the same between the one in the United States of America and the one in Indonesia?

I.3 Research Framework

- a. This research is focused on consumer devotion towards the Apple brand in Jogjakarta, their existence and characteristics.
- b. Location of the research would take part in Yogyakarta.
- c. The characteristics of informants are:

1. Gender

Male and female

2. Age

18 – 65

The author chose this age range because of several reasons. The age 18 is considered a person who has graduated from senior high school level of education, therefore he or she began to understand his or her self identity. What values he or she perceived; what characteristic as an individual he or she believed differs

from others. The age 65 is chose because at this stage a person is so mature that his or her priorities are shifting.

3. Owning Apple products
4. Monthly income
 - 4.1 < Rp 2,500,000
 - 4.2 Rp 2,500,000 – Rp 5,000,000
 - 4.3 Rp 5,000,001 – Rp 7,500,000
 - 4.4 Rp 7,500,001 – Rp 10,000,000
 - 4.4 more than Rp 10,000,000

I.4. Objectives and Benefits of The Study

1. Objectives of the study
 - a. To investigate whether consumer devotion to a certain brand exists in Indonesia, particularly in Jogjakarta.
 - b. To investigate whether the antecedents creating the devotion are the same in Indonesia and the one globally.

2. Benefits of the study

- a. For brand owners

The result of the study can be used to strengthen their brands by comprehending what customers really look for within a brand beside their functional utilization.

b. For author

This study could provide better understanding and enhance the existing knowledge of the strong relationship between customers and the brands around them.

c. For other parties

This study could be source of information and as the reference in order to support the subsequent further researches, especially in the area of customer devotion towards brands.

I.5 Research Design

Research Design is the blueprint for fulfilling objectives and answering question (Cooper, 2001).

I.5.1 Time and places of the research

Time and places of the research is in Yogyakarta on November and December 2009.

I.5.2 Type of the research

Qualitative research which will refer to focus group discussion, deep interviews, observation, and literature reviews.

I.5.3 Population and Sampling

The author conducts focus group discussion with the member of the customer community, interviews the selected opinion leaders who have credibility on this subject, and observations.

For this research the population is the consumers in Yogyakarta and the sampling is using purposive method to gain the ideal representation.

I.6 Writing Structure

This is divided into 5 chapters

1. Chapter I: Introduction

This chapter describes the background of the research, problem definition, research framework, the objectives and the benefits of the study, research design, analysis tool and writing structure.

2. Chapter II: Theoretical background

This chapter describes the theoretical background relevant to this research especially about branding and customer behavior. Any theory that will be used to support this thesis will be based on the theory.

3. Chapter III: Research Design

This chapter describes the research design.

4. Chapter IV: Data Analysis

This chapter describes the analysis of the collected data and interpretation of data.

5. Chapter V: Conclusion.

Describe the final conclusion from the data analysis. This result will be used to form managerial implication and branding strategy based on the management and marketing theory.

