# INFLUENCE OF BRAND AWARENESS AND BRAND ASSOCIATION ON NETFLIX BRAND EQUITY THROUGH BRAND LOYALTY

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**Abstract**

The increasingly fierce competitive environment between companies and the challenges faced by Video On Demand services, especially in this study, namely Netflix, the company needs to strengthen brand equity so that the brand owned becomes superior to competitors.This study aims to determine and analyze the influence of brand awareness and brand association on Netflix brand equity through brand loyalty. The type of research conducted is quantitative descriptive with a causal approach, sampling techniques using purposive sampling and obtained a sample of 170 respondents. Analysis method using SEM with Amos 24.0 Analysis tool.The results showed that brand awareness has no effect on brand equity, brand association affects brand equity, brand loyalty affects brand equity, brand awareness affects brand loyalty, brand association has no effect on brand loyalty. Also, brand loyalty is able to mediate the influence of brand awareness on brand equity. However, brand loyalty is not able to mediate the influence of brand association on brand equity. Based on the results of research that has been done, it can be concluded that the importance of building a strong and positive brand association and increasing brand loyalty to strengthen Netflix's brand equity.

**Keywords**: Brand Association, Brand Awareness, Brand Equity, Brand Loyalty.

## 1. Introduction

The presence of the internet and rapidly growing technology allows the development and innovation of information and entertainment media, one of which is in streaming video services or what is commonly called Video On Demand (VoD). One of the most popular VoD service companies in the world is Netflix. Netflix is a subscription-based paid streaming film service company that allows customers to watch television programs, films, and documentaries, series, dramas from various countries, so that customers can enjoy content at any time while connected to the internet.

**Table 1**. Number of Netflix Subscribers in Indonesia in 2017-2021

| Year | Netflix Subscribers |
|------|---------------------|
| 2017 | 95.000 |
| 2018 | 273,300 |
| 2019 | 482.000 |
| 2020 | 907.000 |
| 2021 | 850.000 |

*Source : Media Partners Asia (2021)*

Netflix began entering the Indonesian market in 2016 and has always recorded subscriber growth every year until 2020. However, in 2021 the number of Netflix users in Indonesia decreased to 850,000. Netflix users are experiencing a decline in Indonesia, also along with the decline in overall Netflix subscribers around the world. Netflix Investor Relations (2022) reports that Netflix has lost 200 thousand subscribers worldwide in the first quarter of 2022, and in the second quarter by 970 thousand subscribers. This is an unusual thing for Netflix since expanding its service worldwide in 2012 because Netflix has always experienced growth in the number of subscribers both quarterly and annually.

**Table 2.** Number of VoD Service Subscribers in Indonesia in 2021

| *Video on Demand* | **Number of Subscribers** |
|---|---|
| Disney+ Hotstar | 2,5 juta |
| Viu | 1,5 juta |
| Vidio | 1 juta |
| Netflix | 850.000 |

Source: Cnnindonesia (2022)

Netflix's position in the middle of competition based on the Media Partners Indonesia survey (2022). In 2021, Netflix has only 850,000 subscribers compared to its competitors who are above Netflix. This proves that Netflix in Indonesia is still less competitive with other VoD platforms even with local Indonesian VoD services such as Vidio. In an increasingly fierce competitive environment between companies and the challenges faced by Video On Demand services, especially in this study, Netflix, companies need to strengthen brand equity so that their brands are superior to competitors. Kotler & Armstrong (2008) stated that brand equity is a positive differentiator from consumers based on the knowledge of consumers on behalf of the brand of goods or services. According to Aaker (2009) brand equity is an asset that can increase or decrease the value of a product or service.

One factor that plays a role in shaping brand equity is brand awareness Tong & Hawley (2009). Brand awareness or brand awareness is a consumer's ability to recognize and even recall a brand (Endri & Prasetyo, 2021). Consumers have a tendency to buy a brand that is already widely known because a well-known brand is likely to be reliable (Sundjoto & Hadi, 2012). A brand that has a high level of awareness will make consumer confidence high so that the brand equity owned is also higher (Ansary & Nik Hashim, 2018)

Another factor that can affect brand equity is brand association. Kotler & Keller (2006) stated that the brand association consists of thoughts, perceptions, images, feelings, beliefs, experiences, and behaviors, as well as memory associated with a brand. Susanto & Wijanarko (2004)stated that a brand that has a strong association will have a strong position in the middle of the competition because the higher the brand association will make consumers loyal. Various brand associations that are remembered by consumers will form brand strength in the minds of consumers (Arini & Indriani, 2022)

In addition, brand loyalty also plays a role in forming brand equity. Brand Loyalty is the level of consumer tendency to make a purchase repeatedly as a result of consumers being satisfied by assessing the product positively so that consumers will choose the product

compared to other brands (Nugroho & Hidayati, 2020). Loyal consumers tend to have a habit of buying brands regularly over a long period of time and it will not be easy to switch to competing brands (Siagian, 2023). Consumers who are loyal to the brand will make brand equity increase (Juliana, 2019). Brand loyalty is a core marker of brand equity, sales opportunities, and in the form of guarantees to obtain company profits in the future (Utomo, 2017).

Based on existing phenomena and literature, this is interesting to research. Netflix is the leader of video streaming services in many countries and is a global player. However, in the Indonesian market Netflix is even less competitive with some applications that are branded and the global market is far from Netflix. For this reason, the researcher wants to examine more deeply "Influence of Brand Awareness and Brand Association on Brand Equity Netflix through Brand Loyalty"

## 2. Literature Review
### 2.1 Brand

Brand is a symbol, name, sign, term, or design and combination that can be used to identify the products or services of a seller and as a differentiator from competing products (Kotler & Keller, 2016). Brand is an identity (can be a name, word, sign, logo, design, or a combination of all) of a product or service that can be a differentiator between one product and another (Tjiptono, 2008)

### 2.2. Customer Based Brand Equity

Customer Based Brand Equity is a model of brand equity approach using consumer perspective. According to Kotler & Keller (2008) Customer based brand equity is formed based on a consumer's experience of what they see, feel, hear, and learn about the brand over time. Customer based brand equity sees a brand from three things, namely differentiation, brand knowledge, and consumer response to a given marketing program. If a brand has a high customer-based brand equity, it can provide many advantages and benefits for the company such as increasing loyalty, increasing prices and so on.

### 2.3. Brand Equity

Brand Equity is an asset for a company that is owned as a direct result for consumers. Aaker (2018) define brand equity is as a set associated with one brand, symbol, name that can increase or decrease the value of a product goods or services. Brand equity provides a meaningful improvement effect after knowing the identity of the brand to consumers related products or services with the brand (Kotler & Keller, 2012).

### 2.4. Brand Awareness

Humdiana (2005) States brand awareness is an ability of a consumer to recognize and recall about the brand and connect it with a particular product. Brand awareness involves a consumer who can understand the brand to be something different than other brands. According to Aaker (2013) brand awareness is a potential buyer's ability to recognize even considering that a brand is part of a certain product category.

## 2.5. Brand Association

Rangkuti (2004) stated that brand association is everything related to the memory contained in a brand. Brand association has a close relationship to the brand image which can be interpreted as a series of brand associations that have a certain meaning.

## 2.6. Brand Loyalty

Aaker (2009) suggested that brand loyalty is a relationship between brands and consumers. Schiffman and Kanuk (2009) stated that brand loyalty is a consumer preference in buying certain products of the same brand for certain categories of services consistently. Brand loyalty is a measure of how likely consumers are to switch to a competing brand, especially if there are differences in price and other features.

## Brand Awareness and Brand Equity

Brand awareness plays an important role in increasing customer-based brand equity, the higher the brand awareness will affect the increase in brand equity because high awareness results in greater opportunities for a brand to be selected in the buying process (Yang et al., 2018). According to Ansary & Nik Hashim (2018) a brand with a higher level of awareness guarantees trust and familiarity with the consumer. Therefore, it should be associated with a higher equity of a brand. This is also in line with research (Muzaqqi et al., 2016), (Marsasi et al., 2022), (Basri & Yuliana, 2022), who stated that the brand awareness variable had a significant effect on brand equity.
H1: Brand awareness have a positive and significant effect on brand equity

## Brand Association and Brand Equity

Aaker (1997) states that brand association is everything to do with brand memory. Strong and high brand equity can only occur if the brand has a strong association to realize the advantages of the brand (Setiawan, 2020). The higher the brand association on the product, the more consumers remember and loyal to a brand. According to research conducted Muzaqqi et al (2016) brand association has a positive and significant effect on brand equity. In line with research conducted by (Arini & Indriani, 2022), and (Setiawan, 2023) which states that brand association has a positive effect on brand equity.
H2: Brand association have a positive and significant effect on brand equity

## Brand Awareness and Brand Loyalty

Brand awareness has a role to remind people about a brand, after the introduction and memory of the brand will be formed brand loyalty (Agustin et al., 2023). Brand awareness makes consumers will remember the brand in all situations of need (Bernarto et al., 2020). Research conducted by Utomo (2017) states that brand awareness has a positive and significant effect on brand loyalty Nike shoes in Surabaya. This research is also supported by research (Illahi & Andarini, 2022) and (Stevi & Artina, 2022) which states that brand awareness has a significant impact on brand loyalty.
H3: Brand awareness have a positive and significant effect on brand loyalty

**Brand Association and Brand Loyalty**

Brand association will provide consumers with a reason for purchase, as most brand associations are related to attributes, target markets, and benefits needed to form brand loyalty (Chinomona & Maziriri, 2017). The results of research conducted by Sanjaya (2013) show that brand association has a positive influence on brand loyalty. This is also supported by research (Semuel & Alexander, 2020), (Saijunus & Herawati, 2022) which states that brand association has a significant influence on brand loyalty.

H4: Brand association have a positive and significant effect on brand loyalty

**Brand Loyalty and Brand Equity**

The most important factor to increase brand equity is to increase brand loyalty, the stronger brand loyalty makes brand equity stronger because loyal consumers tend not to easily move to other brands (Yacub, 2020). According to Susanto & Wijanarko (2004) brand loyalty is the basis of brand equity. Brand loyalty is the core of brand equity (Rangkuti, 2004). Research conducted by Dewi (2017) shows that brand loyalty has a positive and significant effect on brand equity. The more loyal consumers are to a brand, the brand equity will increase. This is also in accordance with research (Sucahyo, 2017), (Brangsinga & Sukawati, 2019), (Agnesia et al., 2022)

H5: Brand loyalty has a positive and significant effect on brand equity

**Brand Awareness, Brand Loyalty, Brand Equity**

Shouk & Soliman (2021) stated that brand awareness and brand loyalty are structured frameworks that are combined to create the concept of customer-based brand equity goals. According to Nawawi & Riptiono (2020) brand awareness has a significant relationship to brand loyalty and brand loyalty to brand equity. The better a brand is known and remembered by consumers, the more often it is bought and the higher the value of the brand.

H6: Brand awareness has a positive and significant effect on brand equity through brand loyalty

**Brand Association, Brand Loyalty, Brand Equity**

When someone has a positive brand association with the brand, then they more easily remember information and at the same time they perceive the actions they take as positive, so they remain loyal to the brand (Nugroho & Hidayati, 2020). In research Severi & Ling (2013) proved brand association as an independent variable has a significant effect on brand loyalty as a mediator, brand association as an independent variable greatly affects brand equity as a dependent variable. Brand association as an independent variable and brand loyalty as a mediator affect brand equity. According to Nawawi & Riptiono (2020) brand association has significant relevance to brand loyalty and brand loyalty to brand equity. The more consumers have a high brand association, the more brand loyalty increases which can ultimately increase brand value.

H7: Brand association have a positive and significant effect on brand equity through brand loyalty

**Figure 1**. Research Concept Framework
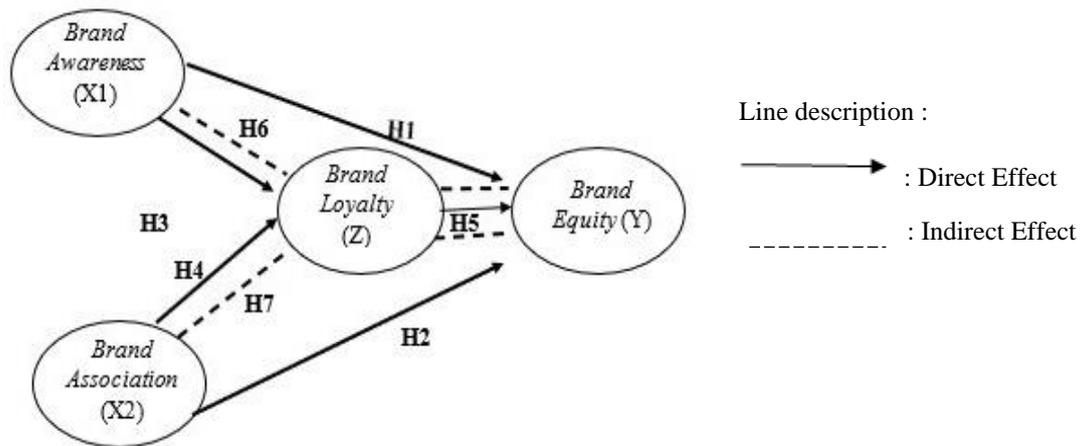


## 3. Material and Method

This research is a quantitative study with descriptive approach and causality to explain causal relationships where there are independent variables (that affect) and dependent variables (which are influenced). The population in this study are users of Netflix Indonesia service with 170 sample respondents. This research used purposive sampling method with criteria at least 17 years old and use and subscribe to the Netflix service at least 2 times. The data collection method uses a likert scale questionnaire. The data was analyzed using SEM using the help of AMOS 24.

## 4. Result and Discussion
## Characteristics of Respondents

The study was conducted on users who use the Netflix service at least 2x with a total of 170 respondents. Based on age, this study is dominated by the age group of 17-25 years by 84% or 143 people where in 2024 this group belongs to Generation Z. This is because Generation Z is the group that is most able to adapt and take advantage of technological advances. Based on gender, the study was dominated by the female sex by 74% or 126 people. Women tend to watch more episodes with a longer duration than men (Fitri & Yulianti, 2023). Based on work, this study is dominated by students/college students by 69% or 116 people. This is because students or students prefer to watch movies or series because they have more free time compared to respondents in other occupational groups. Based on income, this study is dominated by respondents earning less than Rp. 1,000,000 by 55% or 94 people who indicate if the respondent is a group of students

**Measurement Model Test**

**Figure 2.** Confirmatory Factor Analysis
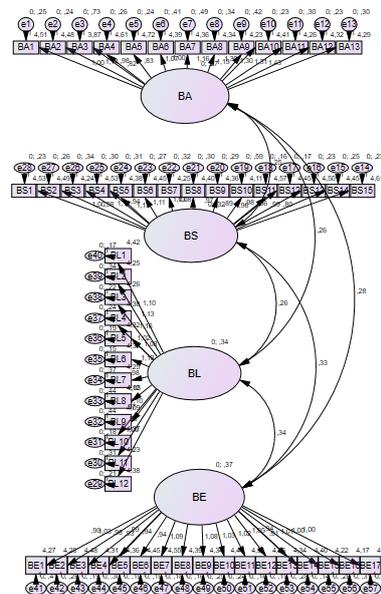


*Source : data processed by Amos 24*

**Convergent Validity**

Convergent validity test can be seen from the value of loading factor for each indicator of each variable. High and low value of loading factor can affect the validity of convergent testing, the lower the value of loading factor can cause problems in the validity of convergent testing. Thus, each indicator is declared valid if the value of the loading factor> 0.5. If the value of loading factor <0.5 then the construct should be dropped from the analysis (Hair J et al., 2014). Based on the table 3, it can be seen that all indicators in the variables brand awareness,brand association, brand loyalty, and brand equity have a loading factor value > 0.5 so that convergent validity in this study is met. Thus, the items of the statement will be included in the next test.

**Table 3.** Standardized Loadings Variabel Laten

| Indicators | Brand Awareness | Brand Association | Brand Loyalty | Brand Equity | Conclusion |
|:---:|:---:|:---:|:---:|:---:|:---:|
| BA1 | 0,720 | | | | Valid |
| BA2 | 0,773 | | | | Valid |
| BA3 | 0,512 | | | | Valid |
| BA4 | 0,645 | | | | Valid |
| BA5 | 0,670 | | | | Valid |
| BA6 | 0,657 | | | | Valid |
| BA7 | 0,597 | | | | Valid |
| BA8 | 0,717 | | | | Valid |
| BA9 | 0,673 | | | | Valid |
| BA10 | 0,824 | | | | Valid |

| Indicators | Brand Awareness | Brand Association | Brand Loyalty | Brand Equity | Conclusion |
|---|---|---|---|---|---|
| BA11 | 0,777 | | | | Valid |
| BA12 | 0,817 | | | | Valid |
| BA13 | 0,807 | | | | Valid |
| BS1 | | 0,749 | | | Valid |
| BS2 | | 0,735 | | | Valid |
| BS3 | | 0,751 | | | Valid |
| BS4 | | 0,706 | | | Valid |
| BS5 | | 0,769 | | | Valid |
| BS6 | | 0,792 | | | Valid |
| BS7 | | 0,719 | | | Valid |
| BS8 | | 0,749 | | | Valid |
| BS9 | | 0,715 | | | Valid |
| BS10 | | 0,556 | | | Valid |
| BS11 | | 0,818 | | | Valid |
| BS12 | | 0,797 | | | Valid |
| BS13 | | 0,737 | | | Valid |
| BS14 | | 0,731 | | | Valid |
| BS15 | | 0,690 | | | Valid |
| BL12 | | | 0,781 | | Valid |
| BL11 | | | 0,716 | | Valid |
| BL10 | | | 0,804 | | Valid |
| BL9 | | | 0,726 | | Valid |
| BL8 | | | 0,725 | | Valid |
| BL7 | | | 0,716 | | Valid |
| BL6 | | | 0,863 | | Valid |
| BL5 | | | 0,832 | | Valid |
| BL4 | | | 0,791 | | Valid |
| BL3 | | | 0,816 | | Valid |
| BL2 | | | 0,774 | | Valid |
| BL1 | | | 0,848 | | Valid |
| BE17 | | | | 0,821 | Valid |
| BE16 | | | | 0,785 | Valid |
| BE15 | | | | 0,831 | Valid |

| Indicators | Brand Awareness | Brand Association | Brand Loyalty | Brand Equity | Conclusion |
|------------|-----------------|-------------------|---------------|--------------|------------|
| BE14 | | | | 0,830 | Valid |
| BE13 | | | | 0,816 | Valid |
| BE12 | | | | 0,810 | Valid |
| BE11 | | | | 0,856 | Valid |
| BE10 | | | | 0,786 | Valid |
| BE9 | | | | 0,831 | Valid |
| BE8 | | | | 0,868 | Valid |
| BE7 | | | | 0,817 | Valid |
| BE6 | | | | 0,803 | Valid |
| BE5 | | | | 0,825 | Valid |
| BE4 | | | | 0,720 | Valid |
| BE3 | | | | 0,823 | Valid |
| BE2 | | | | 0,782 | Valid |
| BE1 | | | | 0,731 | Valid |

*Source : data processed*

## The average Variance Extracted (AVE) Test

Convergent validity test can also be seen from the value of average Variance Extracted (AVE). The Ave test is one of the methods for evaluating the extent to which a construct has variance from its own indicators compared to variance caused by measurement errors. The validity test can be fulfilled if it has a value of Ave >0.50 (Hair J et al., 2014). Based on the table 4 it can be seen that the Ave value of each variable is >0.5 so it can be said that the validity of convergent in this study is met.

**Table 4.** Average Variance Extracted

| Variable | AVE | Conclusion |
|----------|-----|------------|
| *Brand Awareness* | 0,598 | Valid |
| *Brand Association* | 0,654 | Valid |
| *Brand Loyalty* | 0,698 | Valid |
| *Brand Equity* | 0,724 | Valid |

*Source : data processed*

## Discriminant Validity Test

The criteria used in this study by looking at the value of Heterotrait - Monotrait Ratio of Correlations (HTMT). If the HTMT value <0.90 then a construct has good discriminant validity (Hair et al., 2021). Based on the figure 3, all correlations are below 0.90 then the validity of discriminant in this study is met and said to be good

**Figure 3.** Discriminant Validity Test with HTMT

|    | BA    | BS    | BL    | BE |
|----|-------|-------|-------|----|
| BA |       |       |       |    |
| BS | 0,857 |       |       |    |
| BL | 0,790 | 0,679 |       |    |
| BE | 0,853 | 0,883 | 0,819 |    |

*Source : data processed by Amos 24*

**Reliability Test**

Reliability test is conducted to determine the extent to which the indicators used in measuring a construct is consistent and reliable by looking at the value of Composite reliability (CR). If the results of CR>0.7 then the indicator has a high reliability value (Ghozali, 2016). Based on table 5, it can be seen that the value of composite reliability of all research indicators >0.7. This shows that all research indicators have met composite reliability and have high reliability values.
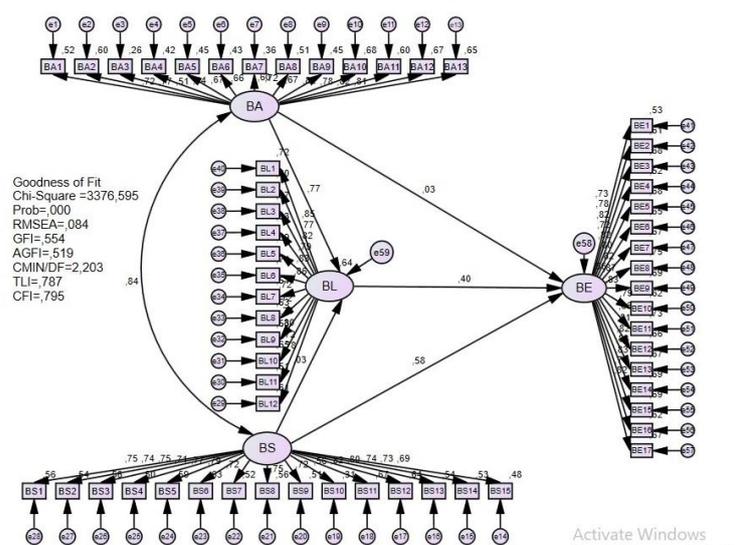
**Table 5.** Construct Reliability Output

| Indicators        | Total LF | Total Error | Total LF² | CR    | Conclusion |
|-------------------|----------|-------------|-----------|-------|------------|
| Brand Awareness   | 9,189    | 4,432       | 6,599     | 0,950 | Reliable   |
| Brand Association | 11,014   | 4,298       | 8,138     | 0,965 | Reliable   |
| Brand Loyalty     | 9,392    | 3,189       | 7,381     | 0,965 | Reliable   |
| Brand Equity      | 13,735   | 4,236       | 11,120    | 0,978 | Reliable   |

*Source : data processed by Amos 24*

**Path Diagram**

**Figure 4**. Path Diagram



*Source : data processed by Amos 24*

**Normality Of Data**

The distribution of data is said to be normal if the Critical ratio Skeweness (C.R) and kurtosis ranged from ± 2.58. This means that if there is a value above 2.58 or below -2.58 then the data is categorized as abnormal. This can happen because the data used in this study is the primary data so that it is possible the existence of a variety of responses given by each respondent of the study. Hair et al. (2014) stated that a data that is not normally distributed will have a serious effect on data that is less than 50 data. However,the more data used the effect will be less and less. Hoykle and Panter (1995) stated that the Maximum likelihood estimation technique can still be used even though the normality of the data is not met. Based on the sample size using maximum likelihood estimation, the analysis can still be continued by correcting the standard error and some goodness of fit ( Ghozali 2008).

**Goodness of Fit Index**

Based on the table 6, shows that the planned model does not fit. The model was then modified. Modification of the model is done by connecting with the line or mengkovariankan Inter variable error in the model, by following the Amos suggested modification indices. The addition of connections between these error variables is done continuously until finally the model is declared fit (Fernandes et al., 2010).

**Table 6**. Goodness of Fit

| Goodness Of Fit Index | Cut-off Value | Model Test Results | Conclusion |
|---|---|---|---|
| Chi-square | 1074.679 | 3376,595 | Poor Fit |
| Probabilitas | >0.05 | 0.00 | Poor Fit |
| RMSEA | <0.08 | 0,084 | Poor Fit |
| GFI | ≥ 0,90 | 0.554 | Poor Fit |
| AGFI | ≥ 0,90 | 0.519 | Poor Fit |
| CMIN/DF | ≤ 2,00 | 2,203 | Poor Fit |
| TLI | ≥ 0,95 | 0,787 | Poor Fit |
| CFI | ≥ 0,95 | 0,795 | Poor Fit |

**Interpretation and Modification of the Model**

Based on the table7, it can be seen that there are several values that do not meet the goodness of fit criteria, including GFI which has a value of 0.724 < 0.90 and AGFI which has a value of 0.724 < 0.90. According to Parsimony in Ferdinand (2006) if there is one that has met the criteria of goodness of fit, then the overall model can be said to be fit or good. So, from this principle, the results of the model test are accepted and subsequent analysis can be carried out.

**Table 7.** Goodness of Fit After Modification

| Goodness Of Fit Index | Cut-off Value | Model Test Results | Conclusion |
|---|---|---|---|
| Chi-square | 1074.679 | 2067,385 | Poor Fit |
| Probabilitas | >0.05 | 0.00 | Poor Fit |
| RMSEA | <0.08 | 0,054 | FIT |
| GFI | ≥ 0,90 | 0.724 | Poor fit |
| AGFI | ≥ 0,90 | 0,671 | Poor fit |
| CMIN/DF | ≤ 2,00 | 1,487 | FIT |
| TLI | ≥ 0,95 | 0,914 | Marginal Fit |
| CFI | ≥ 0,95 | 0,925 | Marginal Fit |

Source : data processed

## Hypothesis Test

**Table 8**. Direct Effect

| Hypothesis | Path | β | S.E. | C.R. | P | Label | Conclusion |
|---|---|---|---|---|---|---|---|
| H₁ | *Brand Awareness →Brand Equity* | 0,048 | 0,136 | 0,350 | ,726 | Positive Insignificant | Hypothesis Rejected |
| H₂ | *Brand Association→Brand Equity* | 0,891 | 0,158 | 5,637 | *** | Positive Significant | Hypothesis Accepted |
| H₃ | *Brand Awareness→ Brand Loyalty* | 0,884 | 0,164 | 5,382 | *** | Positive Significant | Hypothesis Accepted |
| H₄ | *Brand Association → Brand Loyalty* | 0,014 | 0,173 | ,082 | ,935 | Positive Insignificant | Hypothesis Rejected |
| H₅ | *Brand Loyalty → Brand Equity* | 0,447 | 0,086 | 5,188 | *** | Positive Significant | Hypothesis Accepted |

**Table 9.** Indirect Effect

| Hypothesis | Path | Path Coefficient | P-*Value* | Label | Conclusion |
|---|---|---|---|---|---|
| H₆ | *Brand Awareness→Brand Loyalty→Brand Equity* | 0,395 | 0,001 | Positive Significant | Hypothesis Accepted |
| H7 | *Brand Association →Brand Loyalty →Brand Equity* | 0,006 | 0,858 | Positive Insignificant | Hypothesis Rejected |

## 5. Discussion
### Brand awareness and Brand Equity

The results of this study show that brand awareness has a positive but not significant impact on Netflix's brand equity. In this case, increased brand awareness does not substantially increase added value or overall brand performance. This is in line with research conducted by Hadi Santoso (2017), and Sucahyo (2017) which shows that brand awareness has no influence on brand equity. Although brand awareness helps in introducing the brand to potential customers. However, it does not always result in an immediate increase in brand equity. Respondents ' recall of the market was not a determining factor in increasing brand equity, even if they were aware of the brand. Individuals who remember the brand in the market are not always interested in the product (Sukiarti et al., 2016). Consumers ' views will be helped by their experience using the platform. So, brand awareness can be a factor, but it doesn't always result in a significant return directly to brand equity, requiring additional efforts Netflix makes to improve and enhance its overall brand reputation.

### Brand Association and Brand Equity

The results of this study show that brand associations have a positive and significant impact on Netflix's brand equity. The higher the level of brand association will increase Netflix's brand equity. According to Dewi (2017) brand association is strongly associated with brand equity because brand association can be a sign of quality and commitment from Netflix and help consumers consider the brand when purchasing. One way to create strong brand associations is to focus on the consumer experience (Adiputra, 2018). Netflix brand equity can be increased if respondents trust the quality of content and services presented by Netflix. Consumers associate the Netflix brand with high-quality content and ease of use. This will increase the perception of value, loyalty to the brand, and help differentiate the brand from competitors which will ultimately increase Netflix's brand equity. Netflix's Brand equity is higher because a positive brand association reinforces the brand's image and value. Netflix may associate and rely on the use of tangible and intangible attributes such as quality of content, visuals and audio, movie products, up to date and always varied content and guarantees of user privacy. The results of this study are in line with research conducted by (Setiawan, 2023) and (Choudhary et al., 2023) which states that the higher the level of brand association with customers and consumer quality of a product will increase brand equity.

### Loyalty to Brand Equity

The results of this study show that brand loyalty has a positive and significant impact on Netflix's brand equity. The higher the level of brand loyalty will increase Netflix's brand equity. This happens because loyal consumers are likely to use Netflix regularly and create a strong reputation for Netflix. It also shows that customer trust and loyalty to the brand will directly affect the value and reputation of the brand. Loyal customers are more likely to recommend, make repeat purchases that contribute to the overall strength of the brand (Juliana, 2019). Loyal customers are less likely to switch to other streaming services thus creating a stable and reliable customer base for Netflix. The higher the level of brand loyalty, the more likely customers will choose Netflix over its competitors. For that, Netflix needs to pay attention to the level of customer loyalty they have. The results of this study are in line with research conducted by

(Brangsinga & Sukawati, 2019), (Fatkhurrohman et al., 2023), and (Hong et al., 2023) which states that brand loyalty has a positive and significant effect on brand equity.

**Brand Awareness and Brand Loyalty**

The results of this study show that brand awareness has a positive and significant impact on Netflix brand loyalty. The higher the level of brand awareness will increase Netflix's brand loyalty. This shows that the more known a brand is, the more likely customers will be loyal to it. When customers feel familiar with the brand and its products, they will be more likely to trust and comfortable to continue using the service which will ultimately increase their loyalty to the brand. Brand awareness also plays an important role as a constant reminder to consumers. This can happen if consumers are continuously exposed to the Netflix brand, through advertising, social media, or content that can form strong consumer habits and support brand loyalty. The results of this study are also in line with research conducted by (Faisal & Susanti, 2023) which states that brand awareness has a positive and significant effect on brand loyalty because consumers tend to trust brands that have a high level of awareness so that they buy these products and services repeatedly. This is also in line with research conducted by (Valensia & Candy, 2022)

**Brand Association and Brand Loyalty**

The results of this study show that brand associations have a positive impact not significantly on Netflix brand loyalty. Insignificant positive has the meaning that the impact of the association is not large enough to affect brand loyalty. The dynamic market environment with rapid changes in consumer trends and references as well as intense competition between different platforms affect it. Competition in the video streaming industry is very tight and a lot lately by offering products and services that are also interesting and various promos given. Therefore, so that brand association can really stand out among other VoD services. Netflix must have a unique emotional connection with its customers. Although consumers have positive associations with the Netflix brand known for its popularity and quality. However, the actual user experience with the platform may influence their decision to remain loyal. If the consumer experiences problems with the service or is dissatisfied with the content provided then such positive associations are not enough to maintain customer loyalty. This means that consumers are not only concerned with brand associations that exist at the time of subscribing to Netflix. The results of this study are in line with research conducted by (Rivaldo et al., 2023), (Era Deka & Rachma, 2019), and (Yunus et al., 2022) which states that the brand association has no effect on brand loyalty.

**Brand awareness and Brand Loyalty**

The results of this study show that brand awareness has a positive and significant impact on brand equity through brand loyalty. This means that brand loyalty is proven to be able to mediate fully (full mediation) the influence of brand awareness on brand equity. Significantly brand awareness is not able to affect brand equity without going through brand loyalty. According to (Nawawi & Riptiono, 2020) brand awareness has a significant relationship to brand loyalty and brand loyalty to brand equity. The better a brand is known and remembered by consumers, the more often it is bought and the higher the value of the brand. As brand

awareness increases, consumers will be more likely to choose the brand consistently because consumers already recognize it and have a positive perception of it. This helps strengthen brand loyalty which will eventually shape and strengthen brand equity.

**Brand Equity and Brand Loyalty**

The results of this study indicate that brand association has a positive impact is not significant on Netflix brand equity through brand loyalty. This means that brand loyalty is not able to mediate the influence of brand association on brand equity. Influencing brand equity through brand loyalty requires a series of rewarding experiences that can transform a positive association into a long-term commitment. If it does not meet the expectations formed by the brand association, brand loyalty will not be formed. The influence of a strong brand association can also directly increase brand equity by strengthening positive image and perception without going through brand loyalty. Consumers who already have a positive perception of Netflix immediately rate the brand value highly without having to go through loyalty. In the dynamic market of streaming services, VoD services will always update and offer new content so that consumers more quickly form brand associations such as with Netflix original series that directly affect brand equity without having to pass the loyalty stage first. Consumers tend to be more flexible and disloyal. Brand loyalty in this study does not act as a mediation between brand association and brand equity because there are other factors that contribute to the formation of overall brand equity such as product quality, price, and user experience.

## 6. Conclusions

Based on the results and discussion, it can be concluded that, there is no correlation between brand awareness and brand equity. Brand equity is influenced by brand association and brand loyalty. In addition, loyalty to a brand is influenced by brand awareness, but not by the brand association. Brand loyalty can mediate the influence of brand awareness on brand equity. However, it is not able to mediate the influence of brand association on brand equity. Building a strong and positive brand association and increasing brand loyalty can strengthen Netflix's brand equity.

## 7. Recommendation

Netflix is expected to always innovate and provide the best viewing experience for users with the quality of content and services provided to strengthen its position as a leader in the VoD service industry and distinguish itself from competitors. Researchers expect for future research to explore the role of brand loyalty as a moderator variable to the relationship between the various dimensions of brand equity so as to provide a deeper insight into brand equity.

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