CHAPTER II
LITERATURE REVIEW

This chapter reviews the related literature regarding information about customers' perception, branding, English for product branding, food products branding in English, and some previous related studies as well.

2.1 Customers' Perception

According to Kotler (2005), customer perception is defined as a process by which a person selects, organizes and interprets information inputs to create a meaningful overall picture. Select means the decision of what to attend to, organize means the process of getting and sorting information that we perceive, and interpret means the implementation in a way that makes sense using our existing information. Hence, Perception is such an interpretation of stimuli proceeding from the environment and acting upon the individual or something.

Perception is subjective, depending on one's perspective on a particular object. So that the relative perception is influenced by factors originating from within themselves issued with their own thoughts from someone. According to Walgito (2003), the perception is influenced by factors that have been classified, among others:

a. External factors, namely the stimulus and traits that stand out in the neighborhood behind the objects that constitute a determination or unity subtle, among others: social and environmental.
b. Internal factors, is factors related to the ability of self that comes from a releationship with facets, mental, intelligence, and bodily.

From the explanation above, it can be concluded that perception influenced by the environtment and the ability of each individual.

2.2 Branding

Branding normally concerns products or corporations. Branding is the process that aligns the opinions people holds about a brand with the image to

believe. Some experts have defined the definition of branding as follow. According to Anholt (2003), branding is a process of designing, planning, and communicating the name and identity in order to create or manage reputation. Next, Kotler and Keller (2015) say that branding is endowing products and services with the power of a brand. Meanwhile, Chiaravalle and Schenck (2014) explain that branding is the process of building positive perceptions in the customer's mind by consistently presenting the vision and ideas of the brand. It makes others understand and believe what the brand stands for and the promise it invariably makes and keeps. Wheeler (2013) says that branding is a disciplined process used to build awareness and extend customer loyalty. It requires a mandate from the top and readiness to invest in the future.

Branding is about seizing every opportunity to express why people should choose one brand over another. A desire to lead, outpace the competition, and give employees the best tools to reach customers are the reasons why companies leverage branding. There are five types of branding as proposed by Wheeler (2013). They are: (1) Co-branding: partnering with another brand to achieve reach; (2) Digital branding: web, social media, search engine optimization, driving commerce on the web; (3) Personal branding: the way an individual builds their reputation; (4) Cause branding: aligning your brand with a charitable cause; or corporate social responsibility; and (5) Country branding: efforts to attract tourist and businesses. The uses of types of branding can be listed as follow:

1. Co-branding refers to a particular form of strategic marketing alliance between two or more companies. The most obvious reason to enter into such an arrangement is for the partner brands to assist each other to achieve their objectives by capitalizing on the unique strengths of each.

2. Digital Branding in its most basic form aims to link and make an impact on people through digital assets (websites, social media, etc.) Digital branding is the all-encompassing feeling you get from a company's digital profile, whether it's from clients, strategic partners, or employees.

3. Personal branding is an important tool for job seekers as it helps define their strongest attributes and sell themselves to companies. As defined by

Labrecque, Markos, and Milne (2011), "personal Branding entails capturing and promoting an individual's strengths and uniqueness to a target audience".

4. Cause marketing involves a collaboration between a for-profit business and a non-profit organization for a common benefit. Cause marketing can also refer to social or charitable campaigns put on by for-profit brands.

5. Country branding is a relatively new form of marketing and public diplomacy, to promote their products and services, raise awareness about the country, promote tourism, increase trade, and attract foreign direct investment (FDI) and talent.

2.3 English for Product Branding

2.3.1 Impacts of English for Product Branding

Today, people view foreign language such as English, having more valuable attraction than the vernaculars to influence people. In almost every sector, English is the dominant language, especially in business. It enables people of various cultural backgrounds and languages to interact and collaborate in a variety of ways even if there are other viable choices, English is always the business language. The fact that English is the most commonly spoken language leads to its supremacy. "In the rapidly changing global business environment, there is a need for a shared language, a lingua franca, and currently it is English." (Kirkkopelto 2007:15). Also, according to Diantanti, Sunaryo and Rahayu (2018), foreign branding can be an effective tool to create perception and customer's attitude.

2.3.2 Perception towards English for Product Branding

Perception can be defined as the process used by individuals to select organize and interpret information input in order to create meaningful picture of the world (Shiffman & Kanuk, 2004 ; Kotler, 2005). Perception is one of the most important factors influencing the process of processing information and consumers' ability to receive, comprehend, and remember information about goods and services. Foreign branding strategy, which is explained as constructing brand name in foreign language, is seen an important method affecting brand

image. Although customers are not familiar with these brands and they struggle to pronounce them, their perceptions and attitudes can be affected positively. Although global brands can be used as a tool of being a global world member, local brands can show status impairment especially in underdeveloped and developing countries (Batra, Ramaswamy, Alden, Steenkamp, Ramachander, 2000).

In developing countries, researchers show that branding with foreign countries' language affects consumer perception, attitude, evaluation, and perceived value positively (Soto, Mobarec, & Friedmann, 2009, Thakor & Levack, 2003, Zhuang et al., 2008). In some areas in Indonesia, as a non-speaking English country, English has also been a marketing language for goods promotion. In facts, almost products in Indonesia markets used English for their branding. In particular, since quality and social status perceptions getting better, consumers develop positive attitude and represent preferences tendency (Batra et al., 2000).

2.4 Food Products Branding in English

Food, when it is for sale can be referred to as food products. Food or food products means any material including but not limited to any powders, liquids, fruits, vegetables, grains, minerals, or commercially produced foods made for consumption by humans. The example of food products are meat, noodles, chips, sausages, meatball, french fries, donuts, and many more. In Indonesia, food products branding are constantly competitive seeing that each of food companies or food sellers market their products by several strategies, one of them is by using foreign language. Nowadays, English is the most popular and most used foreign language in food products branding in Indonesia. There are some food products which use an English brand. The example are Pizza Hut and Richeese Factory. Pizza Hut is a brand of pizza. Meanwhile, Richeese Factory is a brand who sells fried chicken with special cheese sauce. Both of those brands are more attracting the potential customers because it is expected to give a higher quality and prestige due to the existence of English brand on their products. All in all, English is now oftenly used for food products branding in Indonesia.

2.5 Previous Related Studies

Some studies about the impact of English on branding have been conducted by some scholars in Indonesia. Hutabarat (2013) had conducted a research on the influence of foreign/local language brand names in Indonesia on buying intention with attitude and perception of quality using quantitative methods with the independent t-test and multiple linear regression techniques. The results revealed that there were differences in attitudes and perceptions of the quality of the use of foreign language (especially English) brand and local language brands. The perception of quality and attitudes towards the product with brand in foreign language were always more positive when compared to products with brand in local language. Whereas, the perception of quality and consumer attitudes towards the brand in foreign/local language proved to have an effect on consumer purchase intentions where purchase intentions products with foreign language brands have a greater intention rather than locally branded products.

In 2018 Fhonna and Fidyati (2018) analyzed the perception of the customers towards the use of English for stores in Indonesia. They took Aceh as the research place as one of a non-English speaking area in Indonesia. Using a quantitative method, they presented that 63.64% of respondents agreed that English for stores branding increased their English vocabularies, 51.52% was curios towards the products offered, and 45.45% disagree that English influenced the cost and profits of the stores.

Another researcher, Setiadinanti (2019) who focused on her study about the influence of the use of English in brand towards brand image of Puyo Silky Dessert used descriptive quantitative method with descriptive and simple linear regression analysis. The result showed that English branding that used by Puyo Silky Dessert and its brand image were in good categories with the percentage value of each variable are 77.35% and 76.95%. The influence of English branding on brand image was 52.2%. In the end, it was concluded that foreign branding has significant influence on brand image Puyo Silky Dessert in Bandung.

Meanwhile, Tur (2019) conducted a study on iconic English business name as a branding tool in the rural areas of Yogyakarta special region by using a

descriptive qualitative. The result showed that the use of English as a branding companies/strores in the rural areas of D.I. Yogyakarta signified the names of institutions such as Barbershop, Laundry, Pet Shop, Photocopy Center, Cell-Phone Counter, Coffee Shop, and Homestay/Guest House. Those English names would be an icon to what they offered, gave guarantee of good quality, and offered high income. Even, they were orally becoming new vocabulary items for the people replacing the vernacular in naming the companies.

From the previous studies, this study filled the gaps on the locus, method and focus. The locus took one of the five biggest trading cities in Indonesia, while the prior studies were conducted in small trading areas. It is expected as representative of customers' perception in trading cities where products are being traded massively. The method used qualitative descriptive with thematic analysis using individual and focus group interviews whereas others used quantitative methods. The different research method tried to dig deeper the customers' perception so that the benefits would be more impressive in term of research results both in linguistics and business science. The focus was on food products branded in English: food, electronics, and garments, while others are mostly focused on branding of stores and 1 food product (dessert) only. Out of these all differences, the study is projected to carter all the gaps.