

# The Effect of Brand Awareness and Image on Consumer Perceived Quality and Purchase Intension – A Study Case of Carbonated Drink Brand at Bogor City

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*Abstract-* The change of marketing competition has happened where it is more likely related with consumer perception rather than the product perception. It can be built by understanding consumer's point of view about a product. Nowadays, there are only a few researches about brand knowledge role towards consumer perceived quality and purchase intention. This research is intended to study the performance of brand awareness and image towards consumer perceived quality and purchase intention in Bogor. Two carbonated drink brands were investigated in this research. Coca cola and Big Cola were used because both brands represented the high marketing competition. This research collected and processed 100 respondents' perception about related variable which supported by Smart PLS 3. The result for Coca Cola shows that brand awareness affects brand image, brand image affects perceived quality, and perceived quality significantly affects consumer purchase intention. However, there is a different result for Big Cola brand in which brand awareness directly affects perceived quality, and brand image directly affects consumer purchase intention.

*Index Terms-* brand awareness, brand equity, brand image, carbonated drink, perceived quality, purchase intention

## I. INTRODUCTION

A brand is a name, term, sign, symbol, or the design, or a combination from all of them that aims to identify goods and services from a group of sellers and distinguish their products from the competitors (Kotler and Keller, 2009). Aaker (1997) in Saidah (2005) stated that marketing competition has changed; it is more likely related with consumer perception rather than the product perception. Consumer perception can be built by understanding consumer behaviour towards a brand. The more a brand is considered prestigious by consumer, the higher brand equity is. The strength of a brand will attract consumer to consume certain products.

Keller (2008) explained more further about one of equity point of views, which is customer based brand equity. It is a differential effect of brand knowledge on consumer response to marketing efforts of a brand. A brand has positive customer based brand equity if the consumer reacts well towards a product, and also how the product is marketed when it is identified.

On the occasion of the expert interviews, Sumpena (2014) stated that Indonesian brands have not been able to compete well. The domestic brands are only able to compete locally or regionally. The majority of Indonesian producers prefer to have the commodities sale or semi-finished goods which are more easily sold in large quantity. Indonesian brands are not planned based on market demands, and they have short term nature.

This research aims to analyze the brand performance of a product which has strong power such as carbonated drink. Hopefully, this analysis can be meaningful for the brand development in Indonesia, especially Bogor as the location of this research. The data from ASRIM in *Foodreview* Indonesia (2011) assumed that carbonated drink sale in Indonesia has reached 747.000.000.00 liter in 2015.

The main study of this research is analyzing the role of brand knowledge (brand awareness and image) towards perceived quality and consumer purchase intention. This study was done to two brands in which each brand representing different era of Indonesian market. The brands are Coca Cola and Big Cola.

Based on the explanation of background above, the aims of this research are; (1) analyzing the role of brand awareness to brand image; (2) analyzing the role of brand image to consumer perceived quality; (3) analyzing the role of perceived quality to consumer purchase intention; (4) analyzing the direct effects that could occur between the role of brand awareness to perceived quality and brand image to consumer purchase intention.

## II. THE RESEARCH RESULT REVIEW

Previous studies are really important to be used as the foundation in conducting this research. Some previous studies that correlated with this research are; Wu, Yeh, and Hsiao (2010); Hananto and Taryadi (2011); Rizkalla and Suzanawaty (2012); Tu, Li, and Chih (2013); Sunardi (2009); Aghdaie, Dolatabadi, and Aliabadi (2012); Rahayu (2012); Yaseen *et al* (2011); Ogba and Tan (2009); Ranjbarian (2012); Tirtasuwanda (2003); Saidah (2005).

## III. RESEARCH METHOD

### Research Hypothesis Formulation

After researcher studied the existing literature, the research hypothesis can be stated as follows; H1: brand awareness significantly influences brand image; H2: brand image significantly influences perceived quality; H3: perceived quality significantly influences consumer purchase intention; H4: brand awareness significantly influences perceived quality without brand image intermediary; H5: brand awareness significantly influences consumer purchase intention without brand image or perceived quality intermediary; and H6: brand image significantly influences consumer purchase intention without perceived quality intermediary.

### Research Location and Time

This research was conducted in some big stores in Bogor from June – August 2014. The customers of each stores were taken as the respondents who would fill the questionnaire. The stores are *Giant – Taman Yasmin*, *Giant – Botani Square*, *Superindo – Plaza Jembatan Merah*, *Yogya – Plaza Bogor Indah*, dan *Hypermart – Eka Lokasari* (Saidah 2005).

### Data Collection and Processing Method

Primary data were collected by distributing questionnaire to the respondents directly. The data were perception. Secondary data were obtained by literature review, internet, and preliminary interviews. The sample were 109 respondents. The data analysis and processing method for this research were descriptive analysis and *structural equation modeling-partial least squares* (SEM-PLS) and supported by *software Smart PLS 3*. SEM PLS analysis only included a maximum of 100 respondents in the calculation, the respondents were people who have consumed each product tested. This seminar paper only presented the result of that SEM PLS calculation result.

### Thinking Framework

The thinking framework shows the correlation of latent variable in the model established in SEM analysis. Figure 1 shows the framework of the research.

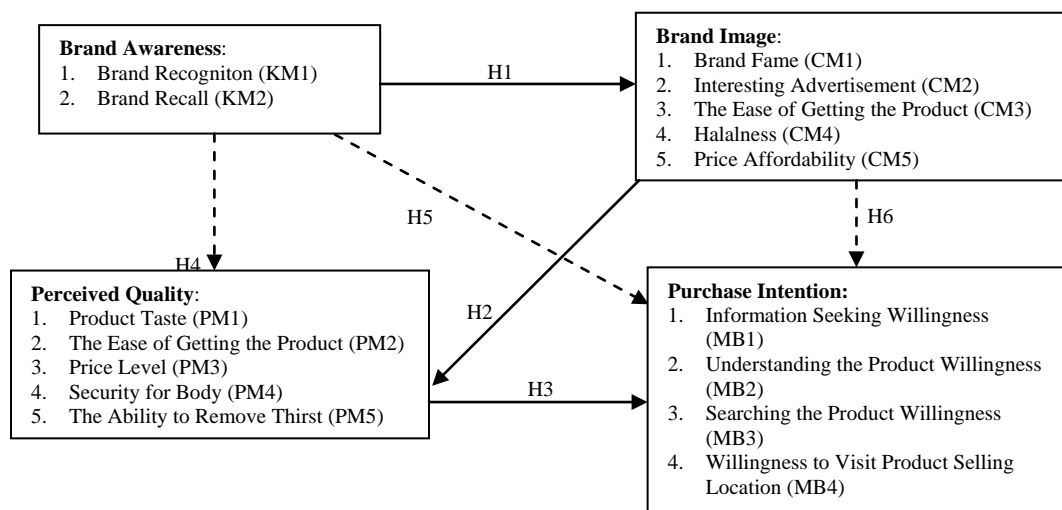


Figure1. Framework and Model

## IV. RESULTS AND FINDINGS

### Respondent Descriptive Analysis

This research involved 55 males and 54 females with the age proportion; 33.03% 14-18 years old, 19.27% 19-24 years old, 33.94% 25-39 years old, and 13.76% above 40 years old. Meanwhile, the educational level of the respondents are 22.02% Junior High School, 19.27% Senior High School, 0.92% Diploma, 48.62% Bachelor Degree, and 9.17% Post Graduate. Then, there were about 29.63% of respondents had income less than Rp 500,000.00, 17.43% of respondents earned Rp 500,000.00 – 1,500,000.00, 3.67% of respondents had income about Rp. 1,500,000.00 – 2,500,000.00, 29.36% of respondents earned Rp 2,500,000.00 – 4,000,000.00, and 20.18% of respondents had earnings more than Rp 4,000,000.00.

### SEM PLS Evaluation

There are two calculation result evaluation of SmartPLS, namely outer and inner model analysis. Outer model analysis measures the ability of the indicator variables that could reflect the latent variables. Meanwhile, inner analysis model shows the significance of the effect between formed latent variables in the model. After the calculation, the outer model aspect from each tested brand model has matched the standards. Table 1 presents the summary of outer model evaluation result.

Table 1 The Summary of Outer Model Evaluation Result

No	Criteria	Standard	Result
1	Validitas ( <i>loading factor</i> )	Valid, if the value > 0.5	All outer model aspects of Coca Cola and Big Cola brands have met the standards, so bootstrapping and inner model analysis can be conducted.
2	Construct Reliability ( <i>composite reliability</i> )	Reliable, if the value > 0.7	
3	Average variance extracted ( <i>AVE</i> )	Valid, if the value > 0.5	
4	Discriminant validity ( <i>cross loading</i> )	Each indicator has higher correlation with its latent variable than other latent variable, it means that the correlation between indicator and latent variable has well discriminant validity.	

Figure 2 shows path model of Coca Cola brand. It presents the result of preliminary calculation that proves the qualification of outer model.

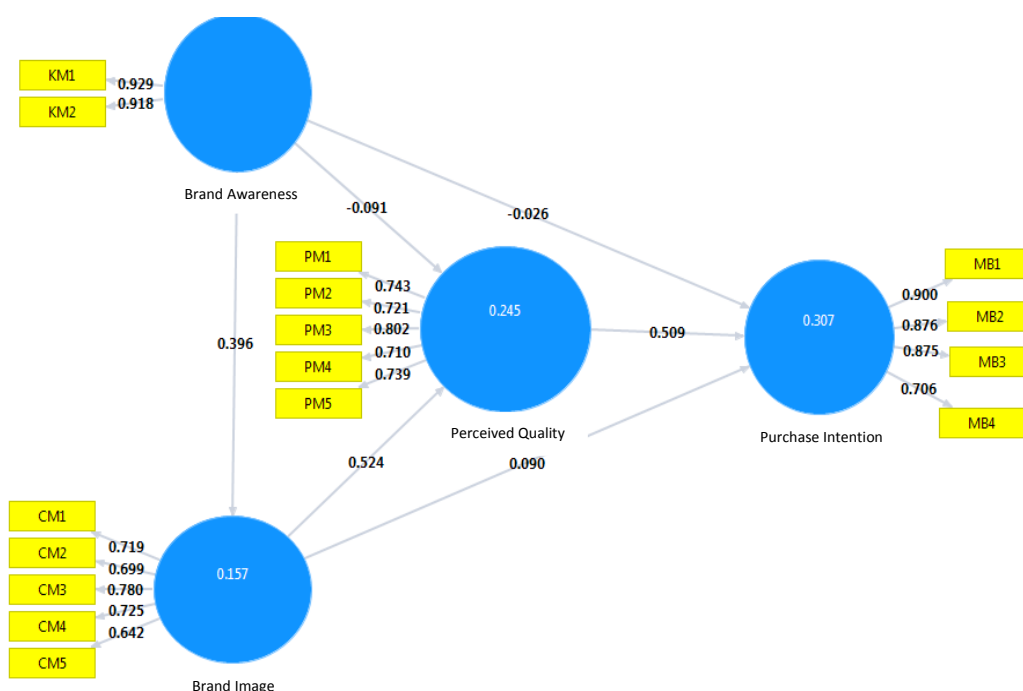


Figure 2. Coca Cola Path Model

Figure 3 shows the result of Coca Cola bootstrapping model. The pre-study in innerevaluation model was  $R^2$  study. In Coca Cola brand model, it could be seen that the effect of brand awareness towards brand image has 0.517  $R^2$  value. Then, the  $R^2$  value for brand awareness and image combination towards perceived quality is 0.245. After that, brand awareness, brand image, and perceived quality combination has effect on purchase intention for about 0.307. This result shows that brand image variables were influenced by brand awareness for 15.70%, and the rest were influenced by other variables. Meanwhile, perceived quality was influenced by brand awareness and brand image combination for 24.50%, and other variables for 75.50%. Lastly, brand awareness, brand image, and perceived quality variables have effect on purchase intention variables for 30.70%, while other variables that were not included in the assumption gave value effect for about 69.30%.

Bootstrapping process shows some higher variables correlations than T statistic value 1.96. The effect of brand awareness towards brand image has significant value with the original sample coefficient value 0.396. Then, the original sample coefficient value for the significant effect of brand image towards perceived quality is 0.524. Last, the significant effect of perceived quality to purchase intention has the original sample coefficient value 0.509.

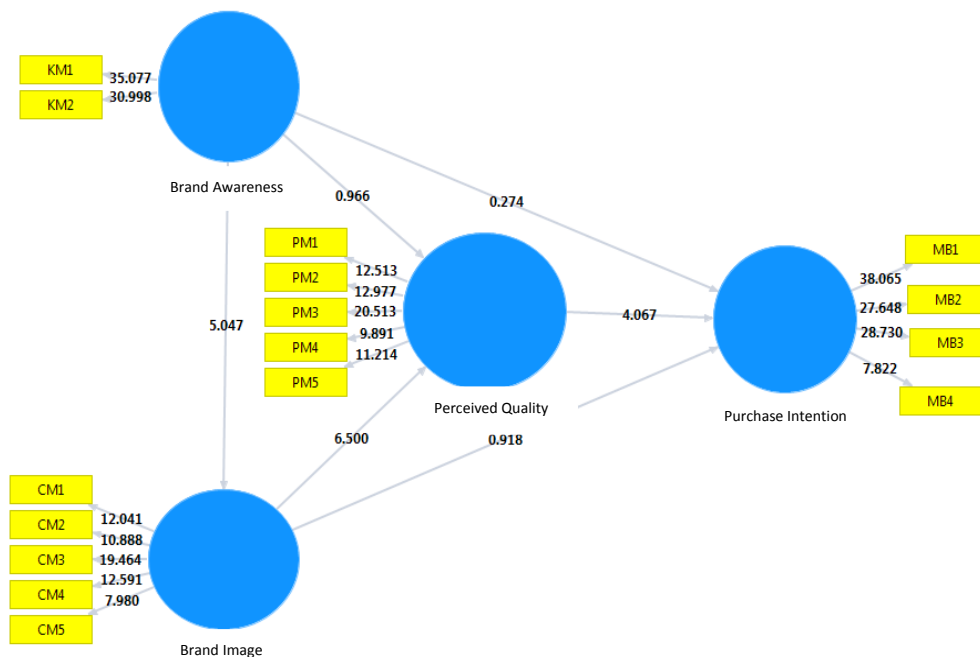


Figure 3. Coca Cola Bootstrapping Direct Effect Model

For Big Cola brand, the  $R^2$  value of brand awareness towards brand image is 0.398. The effect of brand awareness and brand image variables has 0.348  $R^2$  value. Then, the effect of brand awareness, brand image, and perceived quality combination to purchase intention variables was shown by 0.469  $R^2$  value. The effect between variables in Big Cola model is higher than the effect between variables in Coca Cola model. It may be because Coca Cola has older operating age than Big Cola in carbonated drinks market, so there were many other variables which could affect it and beyond the scope of the research. Figure 4 shows path model of Big Cola brand. It presents the feasibility of outer model in the research.

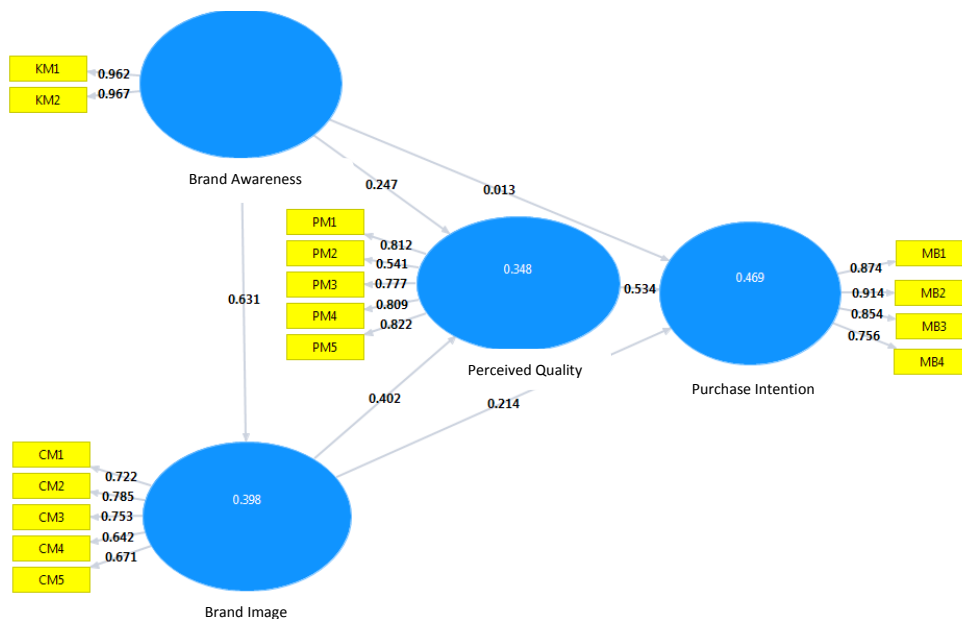


Figure 4. Big Cola Path Model

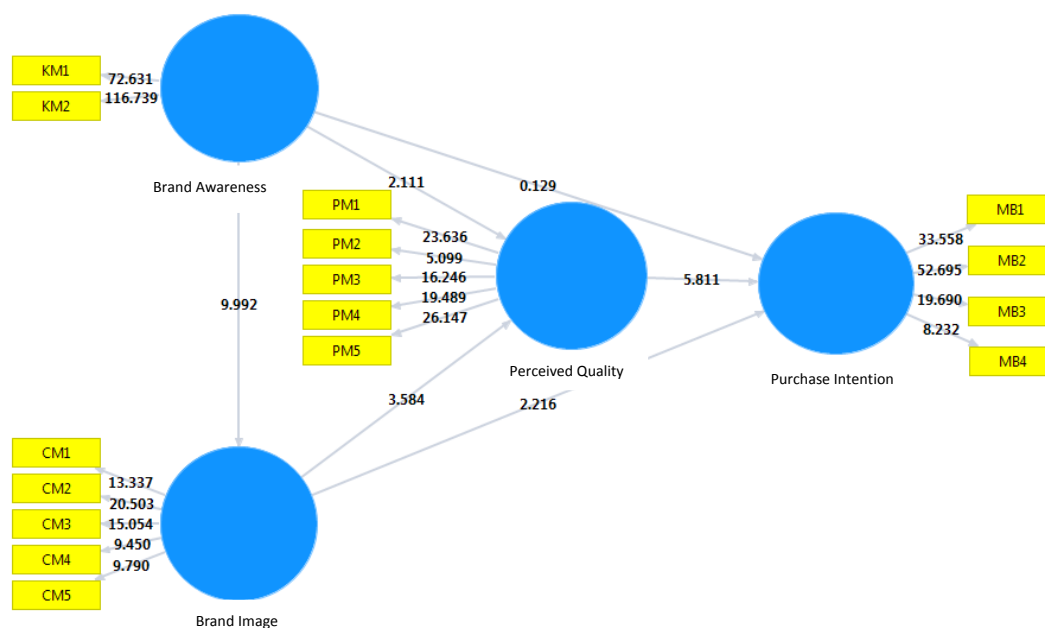


Figure 5. Big Cola Bootstrapping Direct Effect Model

After bootstrapping process (Figure 5), the significance of correlation between variables was compared with the same standard of T value, which is 1.96. The result shows that brand awareness significantly affect brand image with 0.631 original sample value. Brand image has significant effect on consumer purchase intention with 0.534 original sample value. The result of bootstrapping model of Big Cola path also indicates two different things with Coca Cola model. First, brand awareness could directly affect perception without the intermediary of brand image variables with 0.247 original sample coefficient value. Second, brand image could give direct effect on purchase intention without the intermediary of perceived quality, and the original sample coefficient value is 0.214. The direct or indirect effect between variables could be compared further in order to find out the stronger correlation. Table 2 shows the comparison between the strength of the correlation and original sample coefficient calculation.

Table 2. Original sample coefficient comparison of direct and indirect correlation between variables of Big Cola brand model.

No.	Correlation	Correlation between Variables	Original Sample Coefficient
1.	Direct	Brand awareness → perceived quality	0.247
2.	Indirect	Brand awareness → brand image → perceived quality	$0.631 \times 0.402 = 0.254$
3.	Direct	Brand image → purchase intention	0.214
4.	Indirect	Brand image → perceived quality → purchase intention	$0.402 \times 0.534 = 0.215$

After original sample coefficient calculation, it can be seen that the direct effect of brand awareness towards perceived quality, and brand image towards consumer purchase intention is almost as significant as the indirect effect.

#### The Comparison of Two Models Result

The correlation between variables in Coca Cola model is simpler than Big Cola model. It is because Coca Cola has older marketing age than Big Cola. SEM method for each brand has resulted the comparative analysis as presented in Table 3.

Table 3. The result comparison of the hypothesis acceptance

No.	Brand	Hypothesis Acceptance
1.	Coca Cola	H1, H2, and H3
2.	Big Cola	H1, H2, H3, H4, and H6

Besides, by that reason, it could make Coca Cola to have more variables which are not included in the research than Big Cola, and those external variables might affect the interaction in marketing field. It is shown by  $R^2$  values of each model variables interaction. Those values could indicate that there were others many variables beyond the research which affected the correlation between variables in Coca Cola model. Moreover, the young age of marketing operation of Big Cola also could cause more causal relationship between marketing variables which were on the beginning step and sensitive.

## V. CONCLUSION

1. In Coca Cola model, brand awareness affects brand image, brand image affects perceived quality, and perceived quality affects consumer purchase intention.
2. In Big Cola model, brand awareness affects brand image, brand image affects perceived quality, and perceived quality affects consumer purchase intention. Besides, in fact, brand awareness could directly affect perceived quality and brand image could give direct effect towards consumer purchase intention.
3. The correlation between variables in Coca Cola model is simpler than Big Cola model since Coca Cola has older marketing age than Big Cola. Moreover, this marketing age could make Coca Cola has more variables which are not included in the research than Big Cola, and those external variables could affect the marketing field interaction.

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