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ANTESEDENT BRAND EQUITY AND CONSEQUENCES ON REPURCHASE INTENTION

Pratama I Gede Arya Duta*, Wardana I Made

Postgraduate Program, University of Udayana, Indonesia

*E-mail: aryaduta1991@gmail.com

ABSTRACT

This research was conducted on Bali Banyuatis coffee products Brand Two in One Legend Taste. The population in this study were all connoisseurs of the Banyuatis brand of coffee domiciled in Denpasar City, the number of the population could not be counted or infinite population. The sampling technique used in this research is nonprobability sampling technique. The nonprobability sampling technique chosen was purposive sampling. Data collected through questionnaires consisted of questions arranged based on each variable, including brand association variables, brand awareness, brand image, brand equity, and repurchase intention. The results of the study found that brand associations have a positive and significant effect on brand equity. Brand awareness has a positive and significant effect on brand equity. Brand image has a positive and significant effect on brand equity. Brand equity has a positive and significant effect on repurchase intention.

KEY WORDS

Brand association, brand equity, brand awareness, brand image, repurchase intention.

As time progresses, the culture of drinking coffee changes dynamically into a lifestyle. Drinking coffee is no longer a tradition that is only done by parents, but at this time drinking coffee is a part of the lifestyle of the Indonesian people, regardless of whether young people or parents. The culture of drinking coffee which originally came from the western region now appears and transforms into a need that is not released in the lives of many people, especially for coffee lovers. Like fashion, coffee also has its own trends from time to time. Therefore Bali Banyuatis Coffee Company launches its new product, Bali Banyuatis Coffee Two in One Legend Taste in sachet form at competitive prices. Not only parents, the younger generation is also expected to enjoy and love Balinese coffee.

Brand is an important aspect for the company. Through the brand of a company will be known and considered good or bad by the community. Banyuatis coffee is one of the brands of coffee products originating from Buleleng Regency and has been known by the Balinese people. Brands have a very important role for the company. To build a brand into a strong and trustworthy brand is not an easy thing. It takes time and a good strategy for a brand to get a place in the community. Brands can create associations with a product so that it can be embedded in the minds of consumers. By having a brand, the product will be more easily recognized by consumers and as a differentiator of one product with another product (Till et al., 2011).

The long-term success of a brand is the emergence of consumer interest to repurchase. In the buying process, consumers have a tendency to choose products with strong brand equity because they consider the product to be of good quality. The long-term relationship between consumers and the company and the brand of a product from the company will provide long-term benefits and greater profits for the company, so that the company will continue to strive to provide satisfaction to their consumers so that the intention to repurchase their products.

Many variables are examined in the dimensions of brand equity such as brand awareness, brand association, brand loyalty, perceived quality, brand attitude, brand image, brand preference and purchase intention. Buying intention is an important indicator in consumer behavior (Wu et al., 2011). Several studies have shown that between brand equity with repurchase intention has a positive relationship. According to Dharmayana and Rahanatha (2017) brand equity has a positive relationship with repurchase intention.

Research conducted by Lin et al. (2011) also supports that brand equity has a direct and positive effect on repurchase intention. According to Gunawardane (2015) concluded that brands with a high level of brand equity would result in higher consumer buying intentions.

Brand awareness is in the range between uncertain feelings towards the introduction of a brand to the feeling that the product is the only product in the class. This range can be divided into four, namely unaware brand (unaware of the brand), brand recognition, brand recall, and top of mind. Brand recognition is a minimal level of brand awareness gained from recall through assistance. Brand recall is obtained by recalling a brand in a product class without assistance. In the task of recalling a brand, the first mentioned brand means a brand that achieves top of mind awareness. According to Shah et al. (2016) brand awareness is the first step to building brand equity that can be created both by putting a point of interaction, a sense of familiarity with a brand that acts as a signal of trust in consumers' minds to consider a brand that is worth buying. Brand awareness significantly affects consumer decision making and has a direct effect on brand equity (Suki, 2013). In the research of Gil et al. (2007) obtained insignificant results between brand awareness of brand equity.

Brand awareness is an important component of brand equity. The first step to building brand equity is to create brand awareness according to Aaker (1991) in Alhaddad (2015). According to Sasmita and Suki (2015) brand awareness is how consumers associate brands with certain products that brands want. Brand awareness generates brand equity in four different ways, first creating a brand in the consumer's memory, second giving the brand a feeling in the mind of the consumer, third giving the brand a sense of trust, and fourth giving sufficient reason to consider the brand (Gil et al., 2007). In the study found brand awareness has a positive relationship to brand image according to Juntunen et al. (2011) and Ming et al. (2011). However, in Christian's (2011) study, there was a negative relationship between brand awareness of brand image.

Some of the factors that potentially affect brand equity are brand image. According to Yanti and Sukotjo (2016) the brand image is related to the brand because when brand impressions appear in the consumer's memory are increased due to the increasing number of consumer experiences in consuming or buying the brand. In research (Rubio et al., 2014) confirms that brand image has a positive effect on brand equity. From the results of research by Kashif et al. (2014) found that brand image has a positive impact on brand equity. But the results of these studies differ from Woodside and Walser (2009) which states that there is no effect of brand image on brand equity.

Brand equity has a positive effect on repurchase intention. In addition to influencing preferences, brand equity is one of the main factors influencing buying intentions (Emor and Pangemanan, 2015). Brand awareness is the first step to attract customers to buy. When customers are aware of the brand, it is easier for consumers to decide which purchases to do. Consumers will buy products that are well known and known. The higher the brand awareness, will higher the repurchase intention.

LITERATURE REVIEW

Brand Association. Brand associations reflect the image of a brand to a certain impression in relation to habits, lifestyle, benefits, attributes, products, geography, prices, competitors, celebrities / someone and others. An established brand will certainly have a position that is more prominent than competitors. Consumers will use associations to process, organize and store information in their memory so that everything can be used to simplify the purchasing decision making process. The connection to a brand will be stronger if based on many experiences or appearances to communicate it. Brand associations have a very important role in brand literature. Profitable brand associations offer several benefits to consumers according to Kashif et al. (2014). Furthermore, it was also stated that brand associations were associated with the benefits sought from attitudes toward products / services / goals, alignment of functional benefits, and brand personality, all of which contributed greatly to increasing brand equity. Some information is created in memory that

helps consumers give meaning to the brand. Once a node is activated, it will trigger several sets of associations in the consumer's mind that determine the strength of the association.

Brand Awareness. Brand awareness measures the extent to which consumers are aware of brand image elements, while brand image measures consumer perceptions of brand identity (Kashif et al., 2014). Brand awareness is the extent to which consumers can remember, recognize, and have knowledge about brands. According to Shah et al. (2016) brand awareness is the first step to building brand equity that can be created both by putting a point of interaction, a sense of familiarity with a brand that acts as a signal of trust in consumers' minds to consider a brand that is worth buying. There are four levels of brand awareness, namely unaware brand (unaware of the brand), brand recognition, brand recall, and the last one is top of mind. The main objective of the company to increase brand awareness is to make its brand top of mind in certain product categories. Brand awareness refers to the added value of a product given by a brand (Jalilvand et al., 2011). Brand awareness is an important component of brand equity. The first step to building brand equity is to create brand awareness according to Aaker (1991) in Alhaddad (2015). Brand awareness is related to the ability of potential buyers to recognize and remember that brands are members of certain product categories (Torres et al., 2015).

Brand Image. According to Yanti and Sukotjo (2016) the brand image is related to the brand because when brand impressions appear in the consumer's memory are increased due to the increasing number of consumer experiences in consuming or buying the brand. Consumers more often buy products with well-known brands because they feel more comfortable with things that are known, the assumption that famous brands are more reliable, always available and easily searchable, and have undoubted quality, so that more well-known brands are more frequent chosen by consumers rather than famous brands. According to Yanti and Sukotjo (2016) the brand image is related to the brand because when brand impressions appear in the consumer's memory are increased due to the increasing number of consumer experiences in consuming or buying the brand. Consumers more often buy products with well-known brands because they feel more comfortable with things that are known, the assumption that famous brands are more reliable, always available and easily searchable, and have undoubted quality, so that more well-known brands are more frequent chosen by consumers rather than famous brands.

Brand Equity. Generally, brand equity is defined in terms of the marketing effects that are uniquely associated with the brand. That is, brand equity is related to the fact that different results result from marketing a product or service because the brand element is compared to results if the same product or service does not have brand identification. Although a number of different views on brand equity have been disclosed, they are generally consistent with the basic assumption that brand equity represents "added value" that is awarded a product or service as a result of past investments in brand marketing. Brand equity is used in various dimensions of diversification to solve various problems in different ways (Khan et al., 2016). A brand includes names, logos, images, and perceptions that identify products, services, or providers in the minds of customers or consumers (Farris et al., 2010).

Repurchase Intention. There are various definitions to explain the concept of repurchase intention depending on which point of view this concept is seen. In a service context according to Hellier et al. (2003) in Balla et al. (2015), repurchase intention is defined as an individual's assessment of repurchasing services provided by the same company taking into account the conditions and situation of the company. From a behavioral perspective, Seiders et al. (2005) in Balla et al. (2015) defines repurchase intentions as the possibility of consumers to repurchase in the future. From the view of purchasing online, Chiu et al. (2009) in Balla et al. (2015) states that repurchase intention refers to the subjective probability that someone will continue to buy products from vendors or online stores in the future. The repurchase from the consumer side according to Samad (2014) is the result of the attitude and commitment of consumers to the repurchase of certain products.

Hypothesis:

- H1: Brand associations have a positive and significant effect on brand equity;
 H2: Brand awareness has a positive and significant effect on brand equity;
 H3: Brand awareness has a positive and significant effect on brand image;
 H4: Brand image has a positive and significant effect on brand equity;
 H5: Brand equity has a positive and significant effect on repurchase intention.

METHODS OF RESEARCH

The population in this study are all coffee connoisseurs of Bali Banyuatis Coffee, the Two in One Legend Taste brand domiciled in Denpasar City, the number of population cannot be counted or infinite population. The sampling technique used in this research is nonprobability sampling technique. The nonprobability sampling technique chosen was purposive sampling. This study uses Structural Equation Modeling (SEM) based on component or variance, namely Partial Least Square (PLS) and uses Smart PLS 3.2.3 software.

RESULTS AND DISCUSSION

In this structural model, there are three dependent variables, namely: brand image (Y1), brand equity (Y2), and repurchase intention (Y3). The coefficient of determination (R^2) of each dependent variable can be presented in Table 1 below.

Table 1 – *R-Square*

Variabel	<i>R-Square</i>
Y1	0,510
Y2	0,546
Y3	0,470

Primary Data, 2017.

To measure how well the observation value is generated by the model and its parameter estimation, it is necessary to calculate Q-square as follows:

$$Q^2 = 1 - (1 - (R_1)^2)(1 - (R_2)^2)(1 - (R_3)^2) = 0,5954$$

The size of Q^2 has a value with a range of $0 < Q^2 < 1$, where getting closer to 1 means the model is getting better. The results of these calculations obtained the value of Q^2 is equal to 0.5954, so it can be explained that the model has a very good predictive relevance ($Q^2 = 0.5954 > 0$). This study uses the Partial Least Square (PLS) analysis approach to test and analyze the research hypotheses previously stated. Based on the calculation results, the inner model is presented in Table 2. below.

Table 2 – *Path Coefficients*

Construct	Coefficient Correlation	<i>t-statistic</i>	Description
Brand asso. → brand eq.	0,307	2,500	Sig.
Brand aw. → brand eq.	0,244	2,141	Sig.
Brand aw. → brand img.	0,714	11,436	Sig.
Brand img. → brand eq.	0,266	2,908	Sig.
Brand eq. → Repurchase	0,686	10,887	Sig.

Primary Data, 2017.

Based on Table 2 it can be stated that brand association has a positive and significant effect on brand equity with a coefficient of 0.307 with a statistical t value of 2.500 and significant at 0.05 (t value > t table 1.96). These results are consistent with several previous studies namely research conducted by Sasmita and Suki (2015) also found that brand

associations have a positive impact on brand equity and have a significant effect. This is supported also by research from Mishra and Datta (2011) which confirms that brand associations have a significant effect and positively effect brand equity. Where in the study it was found that brand royalties, brand associations, brand names, and brand communication must be increased to improve Customer Based Brand Equity.

Brand awareness has a positive and significant effect on brand equity with a coefficient of 0.244 with a statistical t value of 2.141 and significant at 0.05 (t value value > t table). This result is consistent with several previous studies, namely Khan et al. (2016) found that brand awareness has a positive impact on brand equity. Brand awareness has a direct effect on brand equity as in the research of Pouromid and Iranzadeh (2012). Furthermore, in Sasmita and Suki's research (2015) it was also found that brand awareness has a positive impact on brand equity and has a significant effect. This is also supported by research from Mishra and Datta (2011) which confirms that brand awareness has a significant effect and positively effects brand equity.

Brand awareness has a positive and significant effect on brand image with a coefficient of 0.714 with a statistical t value of 11.436 and significant at 0.05 (t value value > t table). These results are consistent with several previous studies, namely brand awareness has a positive relationship to brand image according to Juntunen et al. (2011). Furthermore, in the study of Ming et al. (2011) also mentions that brand awareness has a positive relationship to brand image and has a significant effect.

Brand image has a positive and significant effect on brand equity with a coefficient of 0.266 with a statistic t value of 2.908 and significant at 0.05 (t hitun value > t table). These results are consistent with several previous studies namely Sasmita and Suki (2015) also found that brand image has a positive impact on brand equity and has a significant effect. This is supported also by research from Mishra and Datta (2011) which confirms that brand awareness has an effect which is significant and has a positive effect on brand equity.

Brand equity has a positive and significant effect on repurchase intention with a coefficient of 0.686 with a statistical t value of 10.887 and significant at 0.05 (t value value > t table). These results are consistent with some previous studies, namely Huang et al. (2014) found that brand equity has a significant positive effect on repurchase intention. Lawu (2015) who examined brand knowledge and brand equity obtained the results of brand equity consisting of brand loyalty, brand association, brand awareness, perceived quality, and brand image there was a significant effect simultaneously on repurchase intention. Research conducted by Lin et al. (2011) in Taiwan also found that brand equity had a positive effect on repurchase intention.

CONCLUSION AND SUGGESTIONS

Based on the results of the research discussion, it can be concluded that:

- Brand associations have a positive and significant effect on brand equity, meaning that the more positive the brand associations obtained by the customer, the higher the brand equity in the Bali Banyuatis Coffee product. The Two in One Legend Taste brand.
- Brand awareness has a positive and significant effect on brand equity, meaning that the higher the brand awareness gained by the customer, the higher the brand equity of the Bali Banyuatis Coffee product, the Two in One Legend Taste brand.
- Brand awareness has a positive and significant effect on brand image, meaning that the higher the brand awareness gained by the customer, the brand image in the customer's mind will increase.
- Brand image has a positive and significant effect on brand equity, meaning that the more positive the brand image, the higher the brand equity in the Bali Banyuatis Coffee product, the Two in One Legend Taste brand.
- Brand equity has a positive and significant effect on repurchase intention, meaning that the more positive the brand equity, the higher the intention to buy back the customer in the Bali Banyuatis Coffee product. The Two in One Legend Taste brand.

Suggestions that can be given based on the conclusions obtained are as follows:

- Producers need to focus on the taste of coffee that tends to be savory, slightly bitter, and has a slight taste of sour Bali Coffee Banyuatis Brand Two in One Legend Taste so that it is easy to recognize brands that lead to the ability of consumers to recall the Bali Banyuatis Coffee Brand Two in brand One Legend Taste, because these two things become important indicators for consumers to get a positive buy back intention and ultimately make consumers loyal to Banyuatis coffee products.
- Producers also need to focus on the ability of consumers to remember the Bali Banyuatis Coffee brand, the Two in One Legend Taste Brand, to remain at the top of mind level, thus making the Banyuatis Coffee company more established in the competition in the market.
- Future research needs to be done using different brands in the same product category to be used as a comparison of the results of the research that has been done.
- Future research needs to be carried out in a wider area such as in the entire province of Bali so that research results can be generalized.

Research Limitations:

- This research focuses on just one coffee brand. So it is necessary in the next research to do research with the same product category with different brands in the future to complement and enrich empirical studies related to the topic of this research. This is needed to compare the intention to buy back the same product but a different brand.
- The object of the study was only aimed at customers of Banyuatis branded coffee products in Denpasar City, so that the results of this study could not be generalized to cases outside of Denpasar City. Future research is expected to expand the scope of the research location in accordance with the Banyuatis Coffee sales area.
- There are still many variables that can affect repurchase intentions other than brand associations. Future research is expected to increase the number of research variables such as brand preference, brand loyalty, customer satisfaction, and other variables used to determine the intention to buy back the consumer.

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