

Impact of Brand Image, Country of Origin, and Interpersonal Influences on Purchase Intention

Rizal Alfisyahr*, Lusy Deasyana Rahma Devita

Business Department, Faculty of Administrative Science

University Brawijaya

Malang, Indonesia

*rizal.nimran@gmail.com, lusyfiaub@gmail.com

Abstract—This study aimed to explain the impact of Brand Image, Country of Origin, and Interpersonal Influences on purchase intention. The type of this study is explanatory research with purposive sampling method. Data were gathered from a survey of 118 college students in Malang, using online questionnaire. Data analysis used descriptive analysis and multiple linear regression analysis. The results are Brand Image Variable (X1) has significant impact on Purchase Intention (Y) with the coefficient value of 3.275 and probability t value is 0.001. Country of Origin Variable (X2) has significant impact on Purchase Intention (Y) with the coefficient value of 2.283 and probability t value is 0.024. Interpersonal Influences (X3) has significant impact on Purchase Intention (Y) with the coefficient value of 2.992 and probability t value is 0.003. Brand Image, Country of Origin, and Interpersonal Influences have significant relationship with purchase intention with probability F value is 0.000 and all have contribution on purchase intention variable (Y) of 0.554 (55.4%). However, the rest of the result is affected by other variables which are not researched in this research.

Keywords—brand image; country of origin; interpersonal influences; purchase intention

I. INTRODUCTION

Fashion is known as a part of a culture, where people use and buy fashion products as one of the identities that shape themselves. Cardoso et al. suggest that fashion is used to communicate a social identity as a symbol and as a form of self-expression [1]. Many studies also find out the importance of social influence on consumer purchase [2-4]. Therefore, it can be speculated that fashion consumption may be highly influenced by normative and informational interpersonal influences.

Facing current business challenges, companies must be able to compete with competitors. A strategy is needed in order to get customers attention. Building a strong brand image become necessity in order to persuaded customer that associated them self the same ways as the brand. Brand are build through long-term promotional effort by companies.

Many companies go to great lengths to build and maintain the strength of their brands by marketing efforts. One way that many of those global brand use is by strengthening their brand image identification to distinguish them self from the others by strengthening Country of Origin (COO) factor of the brand.

Today's marketplace, many global brands use strong country of origin cues in their promotions appeals [5]. This is highly prevalent in the case of luxuries fashion brands including like LVMH, Gucci, Versace, Prada to fast fashion giant like Zara, H & M, Uniqlo, which highlight their brand country of origin in their promotion.

Thakor and Lavack suggest that most of the country-of-origin literature has emphasized origin effects at the product level as opposed to brand level [6]. Keller opines that brand related cues act as a crucial competitive advantage element for fashion brands [7]. It is interesting to see how COOs can improve local brands that compete with global brands using their provenance, especially for local brand in Indonesia.

Indonesia has become one of the biggest fashion market, becoming the fifth most clothing-dependent country in Asia and continues to increase every year as predicted. Based on the data, market demand in fashion sector is increasing each year. Moreover, Indonesian people has a high purchase intention for their fashion style needs. Based on data from Indonesian Ministry of Communication and Information Technology, the first classification of products purchased online in 2016 is fashion products and accessories with 37.6%. And this number is predicted to continue to increase in the fashion sector along with the increasing demand of the younger generation and the increasing number of fashion brands in Indonesia.

This research focuses on Erigo as an object, one of the Indonesian local brands that is famous today among young people. This brand has become popular because of its updated style. In just two years after it launch, Erigo has a total turnover of 22 billion Rupiah, and become one of the most well-known local brand with the most Instagram followers.

Based on the facts above, researchers want to know how much influence the Brand Image, Country of Origin, and Interpersonal Influences have on Purchase Intention on Brand Erigo.

II. THEORETICAL BACKGROUND

A. Purchase Intention

Purchase intention is something derived from the learning process and thoughts that form a perception. This purchase intention creates the motivation that remains in his mind and

becomes a very strong desire that in the end when a consumer fulfills his needs will actualize what is in his mind [8].

According to Mowen and Minor, hierarchy effect of purchase intention is used for describes the sequence of processes of beliefs [9]. Attitudes and behavior which is the stage of information processing. Beliefs show the cognitive knowledge that consumers have by attributing attributes, benefits and objects (by evaluating information), while attitudes refer to their feelings or effective responses. Attitude acts as a reference which affect from its environment [10].

Purchase intention is part of the behavioral component in attitude consume. According to Keller, consumer interest is how likely consumers buy a brand or how likely consumers to move from one brand to another [7].

B. Interpersonal Influences

Interpersonal influences are a part of interpersonal communication. Interpersonal communication is the process of exchanging information between one person with at least one other person or usually between two people who can be directly known backwards. There are several study of interpersonal influence on consumption has been done [2,3,11]. Study identifies two dimensions of susceptibility to interpersonal influences: (a) normative interpersonal influences and (b) informational interpersonal influences [2,12].

Informational interpersonal influence can be defined as “the tendency to accept information from others as evidence of reality” [12]. Informational Interpersonal Influence is a psychological and social phenomenon where people assume the actions of others in an attempt to reflect correct behavior in a given situation, seeking for information from the closest people or more experience person. Where normative interpersonal influences are referred as the conformity to the norms and expectation of others under all circumstances [2,12]. Normative social influence is a type of social influence leading to conformity. Normative social influence involves a change in behaviour that is deemed necessary in order to fit in with a particular group.

C. Country of Origin and Brand Image

Thakor and Kohli observe that literature has focused on a number of brand aspects that may affect purchasing [13]. The origin marks are an important feature associated with many brands. Country of origin can be considered the country to which a brand is associated, regardless of where it is produced, with its target consumers [6,13,14]. Many global firms have been found to position their brands in relation to their national origins [5,15,16]. Calori et al. [17] and Chevalier and Mazzalovo [18] point out that in their international strategy, luxury brands use strong brand image and indication of origin. Research, however, has not yet paid attention to the effects of country of origin and brand image on the development of local brand to defend against global brand for their own market.

D. Effect of Brand on Interpersonal Influences

Before making consumer decisions, consumers consider multiple issues [19]. Wilcox et al. found that products without a brand image association (i.e. a clearly identifiable logo,

symbol or any specific mark) are less likely to serve the social functions of self-expression and self-presentation [20]. Similarly, Han et al. argue that some fashion brands are used by many consumers to signal their social influence [21]. For example, Louis Vuitton's or Gucci's distinctive monogram on a handbag is synonymous with luxury for many consumers because the markings make it clear that the handbag is beyond a certain consumer group's reach. This shows consumers are using luxury brands to influence society. There is scarce empirical evidence of brand effects on interpersonal influence. In light of the preceding discussion, this study focuses on how susceptibility to interpersonal influences as well as country of origin and brand image play a role in luxury purchase intentions.

III. HYPOTHESIS DEVELOPMENT

A. Brand Image on Purchase Intention

According to Assael argues that buying interest is due to the attractiveness of products or services offered is a mental of consumers who reflect the purchase of a product plan against a particular brand [22]. Based on Assael's opinion above, it can be concluded that one of the reasons of buying interest that exist in a person is the power of the product, namely the attractiveness of the brand [22]. Attitudes toward the brand is a mental statement that assesses positive or negative, good or not good, like or dislike of the product. From the above explanation illustrates that attitudes toward the brand is initiated by the cognitive process that works on stimulation, then affects consumer buying interest on the products offered.

H1: There is a positive influence between Brand Image (X1) on the purchase intention (Y)

B. Country of Origin on Purchase Intention

According to Lin and Kao, Country of Origin will create a certain perception of a product, where perceptions can be positive or negative, until the next level of positive perception will be encouraging the actual creation of purchases [23]. From the opinion of the above experts can be concluded that, Country of Origin giving various effects to one's thinking is wrong the only effect is in evaluating a product used to find more information about the product. The effect can be creating buying interest derived from one's internal factors is the perception of each individual.

H2: There is a positive influence between Country of Origin (X2) on the purchase intention (Y)

C. Interpersonal Influences on Purchase Intention

Consumers consider multiple issues prior to making consumption decision [19]. As said according to Fajar one of the purposes of interpersonal communication is to change the attitudes and behaviors of others [24]. In short, people use a lot of time to persuade others through interpersonal communication. Of course this can be a comparison of whether the existence of interpersonal influences, can affect the fashion purchasing intention.

According Bearden et al., informational influence is tendency to accept information from others as evidence of reality [2]. Informational influences affect consumer decision regarding product evaluation [25], product/brand selection [2,3], and final purchase decision [26].

H3: There is a positive influence between Interpersonal Influences (X3) on the purchase intention (Y)

IV. METHODOLOGY

A. Measures

To test these hypotheses, a structured questionnaire was designed focusing on the normative and informational interpersonal influences, country of origin and brand image affecting luxury purchase intentions. The first set of items for interpersonal influences was derived from the existing measurement scales developed by Bearden et al. [2]. The scale items relating to country of origin and brand image were derived from Batra et al. [27]. Self-reported measures were used for purchase intentions measurement as suggested by Cronin and Taylor [28].

B. Sample

An initial sample of 118 questionnaires has been distributed on five campuses, representing three private and two public universities in Indonesia specifically covering Malang, which is considered as education city with many universities and is in accordance with the target respondents sought.

V. ANALYSIS AND RESULTS

A. Hypotesis Testing

T test is used to determine whether each independent variable partially has a significant effect on the dependent variable. It can also be said if t count > t table or t-count < -t table then the result is significant and means H0 is rejected and H1 is accepted. Whereas if t counts < t table or -t counts > -t table then the results are not significant and means H0 is received and H1 is rejected. While t table ($\alpha = 0.05$; db residual = 114) is 1.981, the t test is used to show how much influence independent variable to the dependent variable. Testing performed at a 95% confidence level the results of the t test can be seen in Table 1:

TABLE I. T-TEST RESULTS

Path Coefficient	t-count	Sig.	Description
Brand Image -> Purchase Intention	3.275	0.001	Significant
Country of Origin -> Purchase Intention	2.283	0.024	Significant
Interpersonal Influences -> Purchase Intention	2.992	0.003	Significant

The relationship between X1 (Brand Image) with Y (Purchase Intention) shown by t-count that is larger than t-table (3,275 > 1,981), this means H1 is accepted. Sig value also lower that α (0,001 < 0,05). This means that H0 is rejected and H1 is accepted so that it can be concluded that Purchase Intention significantly influenced by Brand Image.

The relationship between X2 (Country of Origin) with Y (Purchase Intention) also shown by t-count that is larger than t-table (2.283 > 1,981), this means H1 is accepted. Sig value also lower that α (0,024 < 0,05). This means that H0 is rejected and H1 is accepted so that it can be concluded that Purchase Intention significantly influenced by Country of Origin.

The relationship between X3 (Interpersonal Influences) with Y (Purchase Intention) also shown by t-count that is larger than t-table (2.992 > 1,981), this means H1 is accepted. Sig value also lower that α (0,003 < 0,05). This means that H0 is rejected and H1 is accepted so that it can be concluded that Purchase Intention significantly influenced by Interpersonal Influences.

This regression analysis is used to calculate the amount of influence between independent variables is Brand Image (X1), Country of Origin (X2), Interpersonal Influences (X3) on the dependent variable namely Purchase Intention (Y).

VI. DISCUSSION

Based on the Multiple Linear Analysis Test that has been done, the results show that Brand Image (X1) has a significant and positive effect on Purchase Intention (Y) with a regression coefficient of 0.406. This means that if the Brand Image (X1) variable increases, it can also increase the Purchase Intention (Y) variable. Then, the results of the Partial Test (t-Test) with a significant value t is less than the significance level of alpha. So the hypotesis 1 (H1) in this study that “There is a positive influence between Brand Image (X1) on the purchase intention (Y)” is accepted and this results are already answer the research problem in this study.

These results support the theory proposed by Assael that the purchase intention is due to attractiveness of products or service offered by a mentality of consumers who reflect the purchase of a product plan against a particular brand [22]. Based on Assael, it can be concluded that one of the reasons of purchase intention is the power of the product, and about the attractiveness of the brand [22]. In addition, the results of this study also support research conducted by Shukla which show that purchase intention is influenced by Brand Image [29].

The results of the Country of Origin (X2) have a significant and positive effect on Purchase Intention (Y) with a regression coefficient of 0.274. This means that if the Country of Origin (X2) variable increases, it can also increase the Purchase Intention (Y) variable. Then, the results of the Partial Test (t-Test) with a significant value t is less than the significance level of alpha. So the hypotesis 2 (H2) in this study that “There is a positive influence between Country of Origin (X2) on the purchase intention (Y)” is accepted and this results are already answer the research problem in this study.

These results support the theory proposed by Lin and Kao, Country of Origin will create a certain perception of a product, where perceptions can be positive or negative, until the next level of positive perception will be encouraging the actual creation of purchases [23]. In addition, the results of this study also support research conducted by Paurav Shukla [29] which show that purchase intention is influenced by Country of Origin.

The results show that Interpersonal Influences (X3) has a significant and positive effect on Purchase Intention (Y) with a regression coefficient of 0.239. This means that if the Interpersonal Influences (X3) variable increases, it can also increase the Purchase Intention (Y) variable. Then, the results of the Partial Test (t-Test) with a significant value t is less than the significance level of α . So the hypothesis 3 (H3) in this study that “There is a positive influence between Interpersonal Influences (X3) on the purchase intention (Y)” is accepted and this results are already answer the research problem in this study.

These results support the theory proposed by Bearden et al [2], Interpersonal Influences is tendency to accept information from others as evidence of reality. Interpersonal Influences affect consumer decision regarding product evaluation [25], product/brand selection [2,3], and purchase intention [26]. In addition, the results of this study also support research conducted by Shukla which show that purchase intention is influenced by Interpersonal Influences [29].

VII. CONCLUSION

This study shows that brand image, country of origin, and interpersonal influences contribute positively to the brand’s purchase intention. Other results indicate that brand image is the most important factors in purchase intention, because these factors have a high value compared to the other factors. This answers how Erigo has a total turnover of 22 billion Rupiah and becomes one of the most well-known local brand with the most Instagram followers in just two years after its launch. These findings provide good management advice, especially for brand management, and can contribute to further research in the field of marketing management, especially related to brand image, and purchase intention.

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