
BRAND IMAGE INFLUENCE, PERCEIVED QUALITY, COMPETITIVE ADVANTAGE AS A PREDICTOR OF REPEAT PURCHASE ON DEALER IN DENPASAR-INDONESIA

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ABSTRACT

This research is about a brand image in a Honda Motor dealer for which most consumers do not realize and consider one Honda dealer with another are the same. In Addition, Hoffman (2000) uniqueness of the brand created by an association can create a competitive advantage that can be used for customers as the reason for choosing a particular brand. This study aims to determine the effect of brand image on repeat purchase at dealers in Denpasar Bali, and to see the effect of competitive advantage and the perceived quality of the repeat purchase. And the results showed: (1) the positive and significant impact of brand image on competitive advantage. (2) the positive and significant impact of brand image on perceived quality. (3) the positive and significant impact of perceived quality on the repeat purchase (4) the positive and significant impact of competitive advantage on repeat purchase (5) the negative and significant impact of brand image on the repeat purchase.

Keywords: Brand Image, Perceived Quality, Competitive Advantage, Repeat Purchase

INTRODUCTION

Nowadays, growth in business is very uncertain and unpredictable in terms of any kind of challenges possible enough for the entity to encounter. As observed from a lot of business retails within the industry of automotive, without the exception of the famous motorcycle brand, Honda. In development, Honda has a very wide market share up to the point where as plenty of authorized Honda dealers are scattered in the city of Denpasar, Bali, with a total of 48 authorized Honda dealers such as Astra Motor, Dwijati, Heronusa, Made Ferry Motor, Anugerah Utama Motor and many others. The level of availability impacts Honda customers with effortless purchase and service at any available, and convenient, dealer. (Nyoman S Subawa, 2016) suggests pricing is a symbol of social class for consumers who consume it. Authorized Honda dealers have different traits from one to another—a trait developed through brand. Kotler &

Keller (2009) in American Marketing Association (AMA) stated, name, symbol, design or combination which is intended to identify the products and/or services of one seller or a group of sellers in differentiating them from their competitors, in which the brand itself is mainly used as the identity of those products and/or services.

In addition, when further examined, many consumers are still less aware of the differences between Astra Motor and the other Honda dealers available. Consumers assume that all of them are the same in which they sell Honda's products and offer similar facilities and services no matter how scattered they are in various locations. This becomes a spotlight for, as a matter of fact, Astra Motor Dealer has their own brand differ from the others in terms of their traits and characters. In this case the company must have innovations and creativity in developing their strategic planning. Of course the brand image plays the main role in the key to a success to make a competitive advantage (Hofman, 2000). Moreover, with the addition of quality services and facilities provided for the convenience of consumers and consumer satisfaction in making purchases and services at Astra Motor Dealer.

That the impression of quality is the assessment by the consumers of the quality of a product and service based on information received on the product (Schiffman and Kanuk, 2008). By achieving a high level of consumer expectation upon the product, the greater the level of the quality of a product (Keller, 2009) along with repeat purchasing.

LITERATURE REVIEW

1. Brand Image

Brand image is a crucial requirement a company needs to have. But to improve the brand image to be a brand position itself requires a very unique image that is relative from competitors. The more positive a brand image created by a company, the more it enables customers upon making a much more intense purchase. A strong brand will provide sheer experience to its customers. In addition, Kotler & Keller (2009) states that brand image is an association embedded in consumer memory form perception and belief held by the consumer in a brand's.

Consumers are more easily recall the product by evaluating the quality of products and reduce the risks that can be felt as well as confirmation of differential thinking to the satisfaction received through brand image (Wu, 2015). In addition, Keller (2008) measurement on brand image with 3 dimensions, that is:

1. Brand Strength is the ability for consumers to remember the brand formed as the result of information and knowledge of the products that consumer receives. Comprehension of brands in which consumer perceive comes from the brand attributes and brand benefits. Brand attributes

speak of features from characteristic of a product and/or service. Brand benefits speak of value and comprehension obtained from a product and/or service.

2. Brand Favorable is where consumers believe that the attributes of the brand have an advantage on the fulfillment of the wants and needs of consumers. The content contained in a desired namely (desirable) of consumers and the delivery (delivered) through the product or marketing program. Desirable is stated in dimension as such the relevant, distinctive, and believable consumer.

3. Brand Uniqueness is the creation of a different brand than any other brand. When entering the market with a tight competition environment it is necessary to create a unique and different brand for it enables them to survive the situations from which they would encounter.

2. Competitive Advantage

Each company will always try to fulfill what is needed and desired by consumers. Therefore, companies will compete to be more superior than its competitors. Where the market success obtained by a company is determined on the products or services purchased and used by consumers. Certainly companies need to generate marketing value to understand what consumers want now or in the future.

In addition, Kaleka (2002) presume that competitive advantage created by company to the product or service from a brand they offer, which acts as a differentiator and added value to the customer. There are three things in forming competitive advantage that are:

1. Cost Advantage, where companies offer products or services at a lower price than its competitors.
2. Product Advantage, where companies out products with the latest innovations to meet the expectations and create excellence of their products from competitors.
3. Service Advantage, where companies offer a good quality of service and can deliver the product on time to customers. Performance of the company's service role is to create service excellence.

3. Perceived Quality

Perceived quality has an important role on building brand. Customer will evaluate it, which created by the company through a perceived quality. According to Aaker on Rangkuti (2004) perceived quality is customer perception of overall quality or superiority of a product or service that relates to the intent that their customers expect.

In the journal “The Effect of Perceived Service Quality on Customer Loyalty in Internet Service Providers in Jordan” (Obeidat, Sweiss, Zyod, & Masa'deh, 2012) according to Zeithaml (1987) defines the perception of service quality as a customer's perceived value about the overall superiority of the service. On their study Yu, et al. (2005) said that perceived quality is accuracy and reliability. Others seen as the extent of customer perceptions and expectations of certain services different from each other in order to achieve a quality of service (Shonk & Chelladurai, 2008). Quality of service gives a positive influence on consumer loyalty, especially the use of electronically (Widiatmika & Subawa, 2017).

Brady & Cronin. (2001) said that SERVQUAL, regarded as one of the most widely used instrument in measuring the quality of service and is based on 5 dimensions:

1. **Tangible:** Appearance of physical facilities, equipment, staff and communication materials to customers.
2. **Reliable:** It is the ability implementation that promised reliably and accurately
3. **Responsiveness:** Readiness to help customers and provide services quickly.
4. **Assurance:** Knowledge and courtesy of employees and their ability to foster a sense of trust and confidence.
5. **Empathy:** The willingness to give attention and service to each customer without any difference.

4. Repeat Purchase

The key in customer's decision is related to customer's satisfaction. When consumers feel the expectations and what is desired is reached it will cause a sense of satisfaction resulting in a loyalty towards a brand of the company. Moreover, Oliver on Koskela (2002) said that customer loyalty is a very strong commitment to re-purchase and subscribe to the product or service consistently in the future.

Repeat purchase according to Olsen (2002) is purchasing activities carried out more than once or several times. The satisfaction of a consumer, can push to re-purchase, to be loyal to the product or loyal to the store where purchased goods so that consumers can tell good things to others.

Factors that influence the behavior of customers to make repeat purchases are the result of an evaluation of the brand. Where when customers feel confident with the brand is seen from the service and hospitality. At this step the customer would feel either satisfied or dissatisfied. When

the customer does feel satisfied, the opportunity for buying and wearing a product is much higher in the next opportunity.

CONCEPTUAL FRAMEWORK

The conceptual framework can be seen at Figure 1.

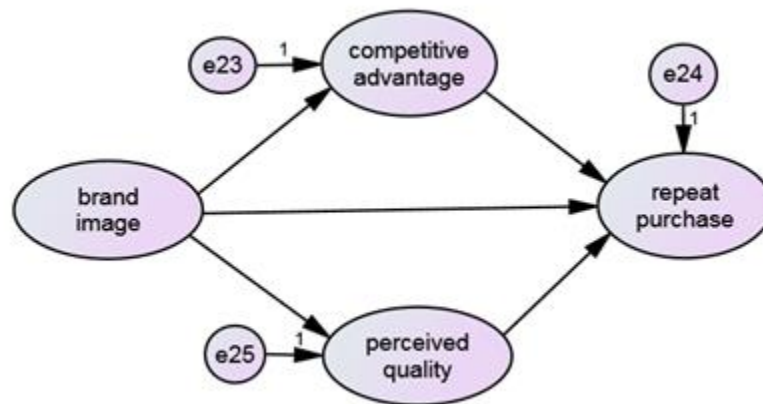


Figure 1: Conceptual Framework

Base on the figure conceptual framework, it can be concluded as follows:

- H1: Brand image has a significant and positive influence on competitive advantage
- H2: Brand image has a significant and positive influence on perceived quality
- H3: Competitive advantage has a significant and positive influence on repeat purchase
- H4: Perceived quality has a significant influence on repeat purchase
- H5: Brand image has a significant influence on repeat purchase

Definition and Operational Of The Variables

The several variables of this research follows:

1. Brand Image, Indicator: Brand Strength, Brand Uniqueness, Brand Attributes, Brand Favorable, Brand Benefits.
2. Competitive advantage, Indicator: Product Advantage, Cost Advantage, Service Advantage
3. Perceived Quality, Indicator: Tangible, Reliable, Responsiveness, Assurance, Empathy

4. Repeat Purchase, Indicator: Committed Consumer's, Loyal, Trust

METHOD

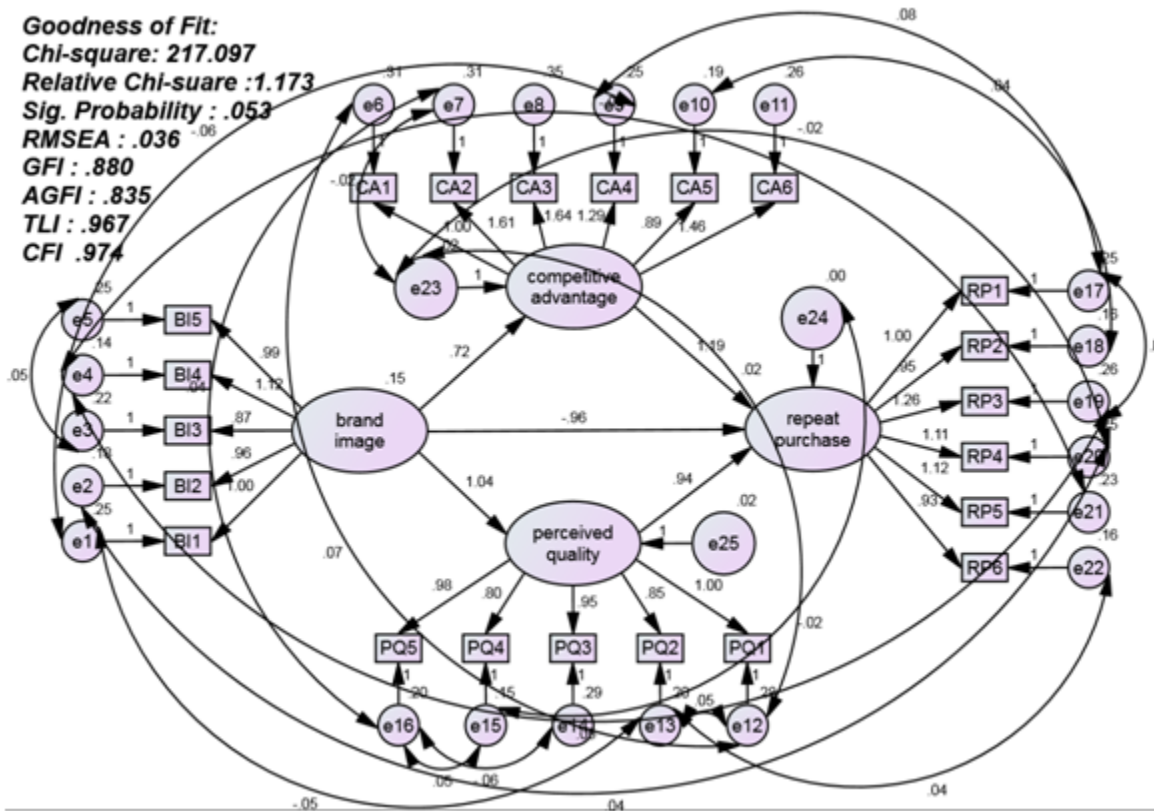
This research was conducted in PT. Astra Honda Dealer Internasional. Tbk-Astra Motor Denpasar, Bali in 16 places and focuses only on the area of Denpasar contained 3 Dealer Astra Motor, which has sales, service and spare parts.

The population in this study is consumers PT. Astra Internasional. Tbk-Honda Astra Motor Dealer. And samples to be studied is the entire customer or customers who use the product and service at Astra Motor Dealer Denpasar, Bali. And the number of samples which was used in this study was a total of 355 respondents.

Data analysis techniques using SEM (Structural Equation Modeling) which is a multivariate statistical technique which is a combination between factor analysis and regression analysis (correlation). SEM purposed to examine the relationships between variables that exist in a model.

RESULT AND DISCUSSION

In accordance with the purpose of research to investigate the influence of brand image, competitive advantage and perceived quality on the repeat purchasing using Structural Equation Model (SEM) which is a set of statistical technique that allows us to test a relatively complicated set of relationship simultaneously. From the data processing performed analysis Full Model Structural Equation Modeling (SEM), For purposes of analysis, it is first displayed diagram result processing the modification of the model as much as once in Structural Equation Modelling (SEM).



Based on the above image analysis Goodness of fit can be done, the analysis of the structural model, analysis of measurement model with parameter lambda to the influence of Brand Image, Competitive Advantage and Perceived Quality on Purchase Decision.

Testing Model Parameter Measurement with Lambda ($i\lambda$)

Parameter testing conducted is a test parameter lambda ($i\lambda$). This test is intended to determine the validity of each indicator research. To test the parameters lambda ($i\lambda$) used standardized value estimate (regression weight) in the form of loading factor. If the value of the standardized estimate (regression weight) ($i\lambda$) > 0.50, CR > table = 2.000, and Probability < α = 0.05, the lambda parameter loading factor ($i\lambda$) the indicator was significant, Ferdinand (2006). This means that the indicator is valid. For testing purposes lambda parameters are displayed in the table below loading factor / lambda ($i\lambda$), CR, Probability (P).

Regression Weight

	Estimate	S.E.	C.R.	P	Label
ca <- bi	.721	.155	4.652	***	par_19
pq <- bi	1.037	.181	5.716	***	par_21
rp <- ca	1.194	.433	2.755	.006	par_20
rp <- pq	.943	.761	1.240	.215	par_22
rp <- bi	-.957	.865	-1.107	.268	par_23

Standardized Regression Weight

	Estimate
ca <--- bi	.905
pq <--- bi	.954
rp <--- ca	.934
rp <--- pq	1.006
rp <--- bi	-.940

Of the two tables above it can be concluded that all the standardized estimate the latent variables (regression weight) in the form of loading factor or lambda ($i\lambda$) > 0.05, the critical value CR > 1.96 and has probability less than 0.05 (***). It can be argued that all latent variable indicators are valid or significant reflect latent variables.

Analysis of Structural Equation Model

1. Impact on Brand Image of Repeat Purchase

Two previous tables show that the influence of latent variables Brand Image (BI) to the latent variable Repeat Purchase (RP) has standardized estimate (regression weight) of - 0.940, with Cr (Critical ratio = identical to the value t-test) of -1.107 on the probability 0.268.

CR = $-1.107 < 2.000$ and Probability = $0.268 > 0.05$ indicates that the influence of latent variable Repeat Purchase (RP) is negative and not significant.

2. Impact on Brand Image of Perceived Quality

The influence of latent variables Brand Image (BI) to the latent variable Perceived Quality (PQ) has standardized estimate (regression weight) of 0.954, with Cr (Critical ratio = identical to the value t-test) of 5.716 on the probability ** *. CR = $5.716 > 2.000$ and Probability = $*** < 0.05$ indicates that the influence of latent variables Brand Image (BI) to the latent variable Perceived Quality (PQ) is positive and significant.

3. Impact on Competitive Advantage of Repeat Purchase

The influence of latent variables Competitive Advantage (CA) to the latent variable Repeat Purchase (RP) has standardized estimate (regression weight) of 0.934, with Cr (Critical ratio = identical to the value t-test) of 2.275 on the probability 0.006. CR = $2.275 > 2.000$ and Probability = $0.006 < 0.05$ indicates that the influence of latent variables Competitive Advantage (CA) to the latent variable Repeat Purchase (RP) is positive and significant.

4. Impact on Brand Image of Competitive Advantage

The influence of latent variables Brand Image (BI) to the latent variable Competitive Advantage (CA) has standardized estimate (regression weight) of 0.905, with Cr (Critical ratio = identical to the value t-test) of 4.625 on the probability ***. CR = $4.625 > 2,000$ and Probability = $*** < 0.05$ indicates that the influence of latent variables Brand Image (BI) to the latent variable Competitive Advantage (CA) is a positive and significant.

5. Impact on Perceived Quality of Repeat Purchase

The influence of latent variables Perceived Quality (PQ) to the latent variable Repeat Purchase (RP) has standardized estimate (regression weight) of 1.240, with Cr (Critical ratio = identical to the value t-test) of 1.240 on the probability 0.215. CR = $1.240 < 2.000$ and Probability = $0.215 > 0.05$ indicates that the influence of latent variables Perceived Quality (PQ) to the latent variable Repeat Purchase (RP) is positive and not significant.

Standardized Direct Effects

	bi	pq	ca	rp
pq	.954	.000	.000	.000
ca	.905	.000	.000	.000
rrp	-.940	1.006	.934	.000

Structural equation Brand Image (BI), Competitive Advantage (CA), Perceived Quality (PQ) and Repeat Purchase (RP) as the following equation:

1. $Y1 = \gamma_{y1.x} X + e_1$, → Direct Influence of BI on CA
2. $Y2 = \gamma_{y2.x} X + e_1$, → Direct Influence of BI on PQ
3. $Z = \gamma_{z.x} X . \gamma_{z.y1} Y1 . \gamma_{z.y2} Y2 + e_1$, → Direct Influence of BI, CA and PQ on RP

According to Standardized Regression Weight and Direct for variable influence of Corporate Social Responsibility (X1), Brand Image (Y1), Brand Awareness (Y2) on the Purchase Decision (Z) may be made of structural equation model as follows:

1. $Y1 = \gamma_{y1.x} X + e_1$, → $0.905 X + e_1$
2. $Y2 = \gamma_{y2.x} X + e_1$, → $0.954 X + e_1$
3. $Z = \gamma_{z.x} X . \gamma_{z.y1} Y1 . \gamma_{z.y2} Y2 + e_1$, → $-0.940 X . 1.006 Y1 . 0.934 Y2 + e_1$

And this mean hypothesis is:

1. Brand Image (BI) have a significant influence on Repeat Purchase (RP) on Dealer Astra Motor is not verified.
2. Brand Image (BI) have a significant influence on Competitive Advantage (CA) on Dealer Astra Motor is verified.
3. Brand Image (BI) have a significant influence on Perceived Quality (PQ) on Dealer Astra Motor is verified.
4. Competitive Advantage (CA) have a significant influence on Repeat Purchase (RP) on Dealer Astra Motor is verified
5. Perceived Quality (PQ) have a significant influence on Repeat Purchase is not verified

Purchase (RP) on Dealer Astra Motor is not verified.

Goodness of Fit Analysis

Based on test criteria, Chi-square (χ^2), Relative Chi-square (χ^2/df), RMSEA, GFI, AGFI, TLI and CFI at the top and Goodness of Fit value processing results is.

Goodness of Fit Index	Cut-of Value	Model Result	Explanation
Chi-Square (χ^2)	Expected small	217.097	Satisfactory
Relative Chi-square(χ^2/df)	$\leq 3,00$	1.173	Satisfactory
Probability	$\geq 0,05$	0.053 ^{*)}	Satisfactory
RMSEA	$\leq 0,08$	0.036	Satisfactory
GFI	$\geq 0,90$	0.880	Marginal
AGFI	$\geq 0,90$	0.835	Marginal
TLI	$\geq 0,95$	0.967 ^{*)}	Satisfactory
CFI	$> 0,90$	0.974 ^{*)}	Satisfactory

*) Meet the goodness of fit

+) Marginal

In accordance with the cut-of-value and goodness of fit of the model results in the table above, it appears that 5 criterion is met and there are two marginal of the eight criteria used.

Criteria fulfilled is Chi-Square, Relative Chi-square (χ^2/df), RMSEA, TLI and CFI. while the marginal is GFI and AGFI. From the analysis above, it can be implied that the modification of models has been able to improve the suitability model (Goodness of fit).

CONCLUSION

Regression Weight structural equations showed that one variable on the structural equations has a negative influence and significant while four variables on the structural equations has a positive and significant influence and , namely the influence of Brand Image (BI) to Competitive Advantage (CA), the influence of Brand Image (BI) on Perceived Quality (PQ), the influence of Competitive Advantage (CA) on Repeat Purchase (RP), while the influence of Perceived Quality (PQ) on Repeat Purchase (RP) and the influence of Brand Image (BI) on Repeat Purchase (RP) is negative and significant.

Although this study concludes that Brand Image has no significant effect on Repeat Buying, when accompanied by Competitive Advantages and Perceived Quality, it increases by 92.5%, meaning that Astra Motor Dealers have taken the right step to where consumers are confused with a brand on Honda Motor dealers. Astra Motor is able to take the opportunity by improving service, quality and competitive advantage with which consumer feel satisfied and comfortable with all facilities and service provided resulting in more incentive consumers have to re-purchase and do service at Astra Motor dealer. Though it would be better if Astra Motor dealers introduce their brand more to the customers to keep consumers believe in Astra motor dealers. The capitalist will invest his capital in order to gain substantial profits (Nyoman Sri Subawa, 2009).

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