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THE INFLUENCE OF BRAND IMAGE DIMENSIONS ON CONSUMER'S PURCHASE BEHAVIOR (THE CASE OF AGODA.COM)

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Abstract

During the past decade, an increasing number of online hotel booking has been validating the use of electronic commerce in the hotel industry. This study applies marketing theory aimed at explaining the consumer's purchase behavior over the hotel booking online in Jakarta. The authors examine the influence of brand image dimensions (brand reputation, brand familiarity, brand trustworthiness, and service excellence) on consumer's purchase behavior. Based on a survey of 120 consumers who booked a hotel online via AGODA.COM, a multiple linear regression was used to test the proposed hypothetical relationships between brand image dimensions and consumer's purchase behavior. The findings indicate that all examined brand dimensions above have a direct linear relationship with consumer's purchase behavior, with the service excellence is the most influential factor (standardized coefficient $\beta=0.263$), while brand reputation is the least (0.181). In the meantime, all the four brand dimensions together explain 62.4% of the variant in the consumer's purchase behavior.

INTRODUCTION

Technological development is happening in the business world nowadays, and online business is becoming a promising business in Indonesia. In fact, based on research of online shopping was issued by an organization who has access to thousands reports of covering key industry sectors and companies, financial markets, regional and global level called Brand & Marketing Institute or also known as BMI research, revealed the online market growth opportunities in Indonesia is still very large as the increase of the internet users in Indonesia. According to research released by BMI in 2014, online shopping users reached 24% of the number of internet users in Indonesia. BMI conducted this research in several big cities in Indonesia. While according to Indonesian Internet Service Provider Association the growth of internet users in 2015 amounted to 150 million users. BMI also mentioned, recorded on turnover of online shopping in 2014 has reached twenty-one trillion rupiah.

The emergence of online stores also supports the number of online transactions in Indonesia. The number of online transactions in Indonesia made hotel booking online service began to emerge in Indonesia. It certainly becomes an interesting thing where hotel booking online company must improve the brand image to be more known to the public. The brand image plays an important role in the development of a brand because the brand image involves reputation as a guideline for the consumer to use or purchase a product or service to give a certain experience. With a good brand image, the public will have the interest to buy the products sold by the company. Thus, the buying interest of society is important where high buying interest in a product or service will allow the consumer to make purchases, thus increasing the profitability of a company. Otherwise, if the public interest in buying a product or service is low, it will decrease the revenue of the company that will cause harm too company.

One of the important factors in choosing Hotel Booking Online is the company brand image. Brand Image is referred as a concept built based on the people's perception due to the subjective reasoning they conducted by their personal emotion (Keller, 1993). The brand image also can be interpreted as a customer's perception of several emotions through specific brands involving the rational basis (Malhotra, 2010). In other words, brand image has a lot of influence on consumers, and effective marketing strategy is helpful in promoting the brand and its image. Brands can determine consumer's behavior because they show the reliable qualities, images and prices of the product. Therefore, the brand image can help customers to know more about a brand by creating a public-minded awareness, by showing its uniqueness and by employing effective representation. This enables the brand to gain a positive impression, which in turn strengthens the consumer's purchase intentions.

The brand image of AGODA plays an important role in building people's perception of the AGODA Company. According to Schiffman and Kanuk (2010), every organization has the same goal to build a strong brand image to their business in the market competition, because with a strong brand image it can reduce the risk and maximize profits. Therefore, this study may help AGODA to know the brand image from the customers' perception in to be more reliable and become a trusted hotel booking online company for the customers to compete in the marketplace.

The problems being faced by AGODA and other hotel booking online provider is a tough competition. One of AGODA's competitor started popping up in the market, as already been mention in the previous section is Traveloka. Traveloka is a business that provides online travel agent to the user's Smartphone. The other benefit offered by Traveloka compare to AGODA is that it provides airline ticket. As well as the hotel rooms are provided by Traveloka. Meanwhile, the advantage of AGODA is benefited from its more experience in the business. AGODA focused on a hotel booking business, so they can provide the comprehensive data and information for travellers. The main focus of this study will be how the AGODA should put and create their brand image as an online company that can help the customer to find an accommodation that suits the customer needs.

Companies understand from its customer that reputation is important. Reputation is gained through customer experience with the service. Along with reputation, there is also trust that developed between the company and the customer. A brand that has a good reputation will gain confidence in the market and potential customer feel that they become familiar with the brand. Brand reputation also developed through service excellence provided by the company. Therefore, it is important to study the relationship and influence of those factors of brand image to consumer behavior (Fianto, Hadiwidjojo, Aisjah & Solimun, 2014).

LITERATURE REVIEW

Consumer's Behavior

According to Hoyer and MacInnis (2010), consumer behavior is the totality of consumers' decisions with respect to the acquisition, consumption and disposition of goods, services, time and ideas by human decision-making units (over time), including purchase intention (Yusoff, Yusof, & Hussin, 2015). Study on a consumer behavior is essential for all companies in the world because it could be beneficial for the company to know and identify the needs and desires of their customers, and also it may help marketers to analyze the consumer mindset. Study on a consumer behavior is very good because the consumer mindset will continue to evolve over time. Consumer behavior will not be the same. Consumer behavior of women and men must be different, consumer behavior of a child and an adult also must be different.

According to Schiffman and Kanuk (2010), The consumer behavior is influenced by several factors, which are:

1. Cultural Factors, this factor is the most influencing factor and the most extensive in the consumer behavior, because the marketers need to consider the influence of the sub-culture and social class of the consumers as well. Different cultural backgrounds will lead to different consumer behavior. The culture will determine what kind of products or services the customer needs, how the customers going to purchase it or use it.
2. Social factors, Zitkus and Puskoriute (2013) said that social factors have a direct and indirect influence on the attitude and the behavior such as reference groups, family and social roles and status affect the behavior. This factor needs to be considered in the process of marketing strategy development since this factor has an effect on the consumers' responses.
3. Personal factors, Lifecycle stages and age, economic status, occupations and personality are the factors that consist of personal factors. These factors are one of the direct influences on the consumer behavior. The concept of personal factors is mandatory to study for the marketers in order to understand the consumer behavior (Yakup & Jablonsk, 2012).

Brand Image

Brand Image is referred as a concept built based on the people's perception due to the subjective reasoning they conducted by their personal emotion (Keller, 1993). The brand image also can be interpreted as a customer's perception on several emotions through specific brands involving the rational basis (Malhotra, 2010) The definition of a brand image as "perceptions about a brand as reflected by the brand associations held in consumer memory" (Engel, Blackwell, & Miniard, 1995). The brand image can reflect the

products or companies' quality if the company has a bad brand image will indicate that the particular company is not performing well in the face of customers. The other way around happens if the company has a good brand image, it will indicate that the company performs well to their customers.

In this case, the brand image has four dimensions that will be discussed in this research namely, Brand Reputation, Brand Familiarity, Brand Trustworthy and Service Excellence. These four dimensions related and are known as dimensions of the brand image that can affect purchase behavior of a customer. several theories of the dimensions are mentioned below.

A company's reputation has been widely described as a combination of long-term ratings from stakeholders which is about "*what is the meaning of the company*", "*how commit is the company with the expectation of the stakeholders*" and "*how well the company's performance and its impact on the social environment*" (Logsdon & Wood, 2002). Consequently, the reputation of a company can be defined as a certain kind of feedback received by an organization from the stakeholders regarding the credibility of the organization (Whetten & Mackey, 2002).

Brand familiarity also has been an important variable in the brand image dimension that can affect consumer behavior. Brand familiarity indicates the breadth of knowledge and experience from a customer to a brand (Alba & Hutchinson 1987; Kent & Allen 1994).

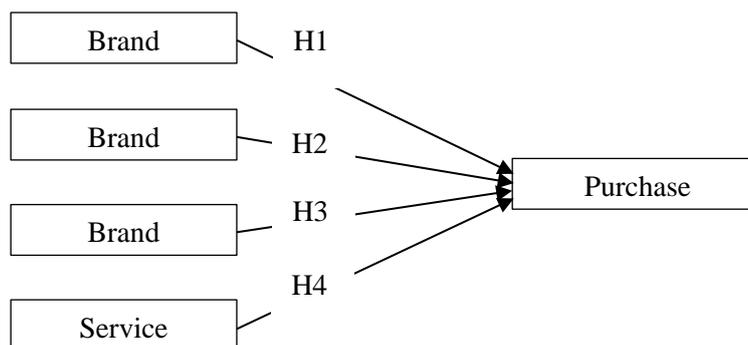
According to Martin and Brown (1991) and Lassar, Mittal & Sharma (1995) trustworthiness is a strong variable and also decisive to influence consumer behavior. Lassar et al. (1995) indicate that the trustworthiness is a confidence for consumers to a brand.\

A perfect service or that can be called service excellence expand the level of service beyond the expectations of a customer of the service. Services that exceed customer expectations will surprise the customer and can become a leader in the industry (Fianto, *et.al.*, 2014). Services that exceed the expectations of customers are a common theme in the market. Heracleous, Wirtz & Johnston (2004) define it as the wow effect.

Relationship between Brand Image and Consumer's Behavior

Consumers consider various of a product attributes before making a decision to purchase it (Schiffman & Kanuk, 2010; Cannon, Perreault, & McCarthy, 2009). One of the notable product attributes is product brand. Past marketing literature has examined the relationship between product brand and consumer's purchase behavior (Gupta & Stewart, 1996; Mudambi, 2002; Hellier, Geursen, Carr & Rickard, 2003; Cretu & Brodie, 2007; Rindell, Korkman, & Gummerus, 2011; Bravo, Montaner, & Pina, 2012; Kang, Tang, Lee & Bosselman, 2012; Fianto, *et. al.*, 2014). A study by Cretu and Brodie (2007) for instance, found that in the manufacturing industry, brand image has an important role in influencing buying behavior. This implies that brands are an important consideration before purchasing a product. Consumers' perspective on a collection of some of the brands creates an overview of the product (Hawkins, Best, & Coney, 2004).

Based on this discussion, the hypotheses of this study are visualized as follows:



- (H1) Brand reputation influences consumer's purchase behavior.
 (H2) Brand familiarity influences consumer's purchase behavior.
 (H3) Brand trustworthy influences consumer's purchase behavior.
 (H4) Service excellence influences consumer's purchase behavior.

MATERIALS AND METHODS

Survey questionnaire with a cover letter was personally distributed as well as online to those who live in Jakarta and have experienced using AGODA service to book a hotel in Indonesia for business or vacation. The respondents are from both genders aged range from 23 years to 50 years old. The selection of the respondent age is based on the assumption that those people able to book an accommodation through hotel booking online technology. A total of 120 completed questionnaire were collected and used to perform data analysis using multiple linear regression on SPSS 22.

Each of brand image dimensions as well as customer's purchase behavior is measured using the items adopted from Fianto et al. (2014). Respondents were asked to choose their preference from a four Likert scale ranging from 1 (strongly disagree) to 4 (strongly agree) to indicate the emphasis placed on each of the brand image dimensions and customer's purchase behavior. The reason for using the 4-point Likert scale in the questionnaire besides the common 7-point Likert scale is that Indonesian consumer tends to choose neutral answer if they get confused with the questions. Therefore, the neutral answer (neither agree nor disagree answer) is not included to avoid this tendency.

RESULTS AND DISCUSSIONS

Results

Using SPSS 22, the collected data were analyzed. Table 1 provides statistics of factor analysis for all items with respect to its variable. All factor of the research measurements exceeds the cut-off 0.70, which reflect the consistency between construct items (Hair et al., 2009). Similarly, reliability test of each construct was confirmed as all value of Cronbach's Alpha exceed the recommended cut-off 0.70 and range between 0.800 and 0.936 as presented in Table 1.

Table 1. *Items Factor Loading and Composite Reliability*

Construct	Items	Loading	Cronbach's Alpha
Reputation	AGODA has a good reputation	0.887	0.857
	A lot of people know about the brand of AGODA	0.851	
	AGODA provides good service and quality	0.909	

Familiarity	AGODA brand creates recognition in the people's mind	0.809	0.800
	AGODA symbol is familiar to the society	0.839	
	You can specifically point out the advantages of AGODA	0.899	
Trustworthy	You feel safe using AGODA	0.917	0.886
	The service quality of AGODA is convenient	0.824	
	AGODA is the first choice among other hotel booking online	0.871	
	You will continuously use AGODA	0.859	
Service Excellence	The service quality of AGODA is satisfying	0.935	0.857
	AGODA is reliable	0.935	
Purchase Behavior	You are willing to spend money in AGODA	0.908	0.935
	You are willing to purchase the products of AGODA	0.838	
	You are willing to give feedbacks to AGODA	0.858	
	You are willing to recommend AGODA to other people	0.954	
	You are willing to promote AGODA to the friends or relatives	0.906	

As this study proves its measurements validity and reliability, the hypotheses testing is performed. As suggested by Malhotra (2010), multiple regression analysis is used to measure the relationships between the dimensions of the brand image, namely reputation, familiarity, trustworthy and service excellence, and the consumers' purchase behavior. The first outcome of the multiple regression analysis is Model Summary as depicted in Table 2.

Table 2. *Model Summary of Reputation, Service Excellency, Familiarity and Trustworthy towards Purchase Behavior in AGODA service*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.790 ^a	.624	.611	.36918

a. Predictors: (Constant), Service Excellency, Reputation, Familiarity, Trustworthy

b. Dependent Variable: Customer's Purchase Behavior

The model summary shows the value of R (0.790) which indicates a high degree of correlation between the brand image dimensions and purchase behavior. The model also shows the value of R square (0.749) which indicates that overall brand image dimension explains 62.4% of the variance of purchase behavior, which is large.

Second outcome of the multiple regression analysis is the reports on how well the regression equation fits the data and is shown in Table 3 below.

Table 3. ANOVA Table of Reputation, Service Excellency, Familiarity and Trustworthy towards Purchase Behavior in AGODA service

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26.005	4	6.501	47.700	.000 ^a
	Residual	15.674	115	.136		
	Total	41.679	119			

a. Predictors: (Constant), Service Excellency, Reputation, Familiarity, Trustworthy

b. Dependent Variable: Customer's Purchase Behavior

Table 3 indicates that the regression model predicts the dependent variable which is purchase behaviour significantly well. Here, $p = 0.000$ which is less than 0.05, meaning that all brand image dimensions (Reputation, Familiarity, Trustworthy, and Service Excellence) simultaneously explains a significant amount of the variant in purchase behaviour.

Finally, the multiple regression analysis provides the necessary information to predict Customer's Purchase Behavior from each of the brand image dimensions (Reputation, Familiarity, Trustworthy, and Service Excellence) as well as determine whether these brand image dimensions contribute statistically significantly to the purchase behaviour as depicted in Table 4 below.

Table 4. Coefficients of Reputation, Service Excellency, Familiarity and Trustworthy towards Purchase Behavior in AGODA service

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.481	.171		2.818	.006
	Reputation	.185	.080	.181	2.317	.022
	Familiarity	.191	.089	.201	2.151	.034
	Trustworthy	.249	.116	.257	2.153	.033
	Service Excellency	.236	.094	.263	2.512	.013

a. Dependent Variable: Customer's Purchase Behavior

The coefficients table shows that reputation, familiarity, trustworthy and service excellence are statistically significantly contribute to purchase behavior (all p values < 0.05). The coefficients table also shows that service excellence is the most influential factor affecting purchase behavior (standardized coefficient beta=0.263), while Reputation is the least influential factor affecting purchase behavior (0.181).

Discussion

This paper sought to examine the influence of brand image dimensions on consumer's purchase behavior. Firstly, it was hypothesized that brand reputation influences consumer's purchase behavior (H1). The coefficient relation from Reputation to Purchase Behavior was significant at $p = 0.022$, meaning that the hypothesis is confirmed. This concludes that the Purchase Behavior is higher when AGODA.com emphasizes on Reputation even though Reputation is the least influencing factor among others (standardized coefficient beta=0.181). Secondly, it was also hypothesized that brand

familiarity influences consumer's purchase behavior (H2). The second hypothesis is also confirmed as the coefficient relation from Familiarity to Purchase Behavior was significant at $p = 0.034$. This concludes that the Purchase Behavior is higher when AGODA.com places the emphasis on Familiarity even though the Familiarity is only the third most influencing factor among others (standardized coefficient $\beta=0.201$).

Next, the third hypothesis proposed that brand trustworthy influences consumer's purchase behavior (H3). The coefficient relation from Trustworthy to Purchase Behavior was significant at $p = 0.033$, meaning that the hypothesis is confirmed. This also concludes that Purchase Behavior is higher when AGODA.com emphasizes on Trustworthy, especially because trustworthy is the second most influencing factor among others (standardized coefficient $\beta=0.257$).

The last hypothesis (H4) proposed that service excellence influences consumer's purchase behavior. The hypothesis is confirmed as the coefficient relation from Service Excellence to Purchase Behavior was significant at $p = 0.013$. This concludes that when AGODA.com emphasized on service excellence, consumer's purchase behavior will be higher, also because service excellence is the most influencing factor among others (standardized coefficient $\beta=0.263$).

CONCLUSIONS

The primary aim of this research is to test hypotheses and provide empirical evidences on the relationship between brand image dimensions and purchase behavior. The purpose behind examining these relationships is to get a more in-depth understanding of the role of each reputation, familiarity, trustworthy, and service excellence in relations to consumer's purchase behavior.

The findings show that all brand image dimensions have a significant influence on purchase behavior even though the level of influence varies among the brand image dimensions, ranging from the least (Reputation) to the most (Service Excellence). The findings also imply that the management of AGODA.com should continue increasing its reputation, familiarity, trustworthy, and service excellence in order to increase its consumer's purchase behavior over hotel booking online using its service.

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