Consumer Factors of Purchase Intention Based on Brand Image, Price, Trust and Value

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ABSTRACT

Online transportation service should be improved to increase the purchase intention. This study will look at how the brand image, price, trust and value of consumer perceptions of the increase in purchase intention for applications. This research aim is to conduct research on factor purchase intention analysis on application based on brand image, price, trust and value. The data used for this research are collected by using GoogleForm questionnaire from 20 December 2017 until 20 January 2018 as many 1250 questionnaires. Value has the biggest influence to Purchase Intention with t-value 11.619. Next, trust also has influence to purchase intention with score 5.628. Brand Image also has influence to purchase intention with score 5.253. Unfortunately, price has no influence purchase intention with score 0.749. Costumers do not think about price because there are no significant different among service provider for transportation service.

Keywords : *Brand Image, Price, Trust, Value*

I. INTRODUCTION

Today, information and communication technologies (ICTs) become important to support our daily lives. In transportation services, refers to survey result of Yayasan Lembaga Konsumen Indonesia (YLKI) pointed out that as many 77.7 % of random samples is used ICTs to order transportation [1]. Moreover, it indicated that online transportation service should be improved to increase the purchase intention. This study will look at how the brand image, price, trust and value of consumer perceptions of the increase in purchase intention for applications [2], [3].

Recent related works on brand image has been done by Anwar et al. (2011) and Aghekyan-Simonian et al. (2012) [4] [4], [5] . Furthermore, concerning price (price) has been done by Kim et al. (2012) [6] whereas trust has been made by Mansour et al. (2014) and Wu et al. (2010) [7] [8]. Furthermore,

research on values of both utilitarian value and experiential value has been undertaken by Lee and Overby (2004) [9]. However, there is still a need for brand image, price, trust and value in which focus of online travel booking application.

Brand image is a determinant that affects customers' subjective perceptions and consequent behaviors [10]. According to Aghekyan-Simonian et al. (2012), the better the brand image, the more positive the consumer attitude toward the branded product and its attributes [5]. Furthermore, the presence of brand image helps the consumer in recognizing the needs and desires associated with the brand and differentiate the brand from other competitors [4].

In detail of value, according to Zeithaml (1988), although there are different consumer expressions of value, perceived value can be captured in one overall definition as an overall consumer assessment of the

usefulness of a product or service based on perceptions of what is received and what is given (e.g. exchanges between perceived benefits and perceived costs) [11].

Trust is one of the main focuses of buyer-seller relationships, the role of trust in social exchange relationships has been the object of research [8]. According to Mansour et al., (2014), the more customers trust a website, the lower the risk of perceived online transactions, and the greater the desire to buy on the website [7].

From a consumer perspective, the price represents the amount of money consumers have to pay to get a product or service [12]. According to Kim et al. (2012), customers tend to compare objective prices (prices offered by current vendors) with reference prices (prices offered by other vendors) and then establish a price perception of the product [6].

Based on the above background, this research will conduct research on factor purchase intention analysis on application based on brand image, price, trust and value.

II. LITERATURE REVIEW

A. Brand Image

The definition of brand image is a determinant that affects customers' subjective perceptions and consequent behaviors [10]. In compliance with Aghekyan-Simonian et al. (2012), the better the brand image, the more positive the consumer attitude toward the branded product and its attributes [5]. Moreover, the presence of brand image helps the consumer in recognizing the needs and desires associated with the brand and differentiate the brand from other competitors [4].

B. Trust

In compliance with Wu et al. (2010), the definition of trust is one of the main focuses of buyer-seller relationships, the role of trust in social exchange relationships has been the object of research [8]. In the literature by Mansour et al., (2014), the more

customers trust a website, the lower the risk of perceived online transactions, and the greater the desire to buy on the website [7].

C. Value

The definition of value, according to Zeithaml (1988), although there are different consumer expressions of value, perceived value can be captured in one overall definition as an overall consumer assessment of the usefulness of a product or service based on perceptions of what is received and what is given (e.g. exchanges between perceived benefits and perceived costs) [11].

Lee and Overby (2004) identifies two types of online shopping value: utilitarian value and experiential value. The utilitarian value is the overall assessment of functional benefits including price savings, service excellence, time savings, and merchandise-selective dimensions. Experiential value is the overall representation of the benefits of experience from entertainment, visual appeal, and the interactivity involved with online shopping [9].

D. Price

From a consumer perspective, the price represents the amount of money consumers have to pay to get a product or service [12]. According to Kim et al. (2012), customers tend to compare objective prices (prices offered by current vendors) with reference prices (prices offered by other vendors) and then establish a price perception of the product [6].

E. Related Work

Recent related works on brand image has been done by Anwar et al. (2011) and Aghekyan-Simonian et al. (2012) [4], [5] . Furthermore, concerning price (price) has been done by Kim et al. (2012) [6] whereas trust has been made by Mansour et al. (2014) and Wu et al. (2010) [7] [8]. Furthermore, research on values of both utilitarian value and experiential value has been undertaken by Lee and Overby (2004) [9]. Related research will be used as a

reference in conducting and completing the proposed research.

III. METHODOLOGY

This section will present data collection, research model and data analysis in detail information.

A. Data Collection

To collect data, we shared GoogleForm Questionnaire from 20 December 2017 until 20 January 2018 as many 1250 questionnaires. However, a total of 983 questionnaires is only validated for data analysis as shown in Table 1.

TABLE I

NUMBER AND PERCENTAGE OF RESPONDENTS

Component		Number	Percentage
Gender	Male	481	48.93%
	Female	502	51.07%
Age	< 21	469	47.71%
	21 – 30	476	48.42%

Component		Number	Percentage
	31 - 40	24	2.44%
	41 - 50	12	1.22%
	> 51	2	0.20%
Education Level	High school	358	36.42%
	Diploma	95	9.66%
	Undergraduate	505	51.37%
	Graduate	25	2.54%
Total		983	100%

B. Research Model

This research used research model that is proposed by C. Lien, M. Wen, L. Huang, and K. Wu in 2015 in publication article with title Online hotel booking: The effects of brand image, price, trust and value on purchase intentions. The research model can be seen in Figure 1.
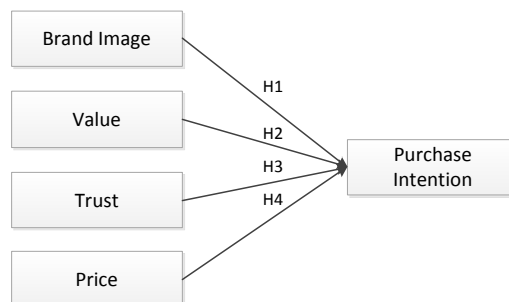

Figure 1. Research model

Based on research model above, six hypotheses are expressed below:

H1. Brand image will have a positive influence to purchase intention

H2. Perceived value will have a positive influence to purchase intention

H3. Trust will have a positive influence to purchase intention

H4. Perceived reasonable price will have a positive influence to purchase intention

C. Data Analysis

In order to investigate hypotheses, we used SmartPLS in this research. To analyse research model, we employed (PLS) regression through bootstrap resampling procedure. To determine convergent

validity, we referred to loading factors with score 0.7. Furthermore, to verify reliability of composite reliability (CR), Cronbach's alpha (CA) and average extracted variance (AVE) [13], [14]. More details of composite reliability (CR), Cronbach's alpha (CA) and average extracted variance (AVE) score is greater than 0.7 [15], [16].

IV. RESULTS AND DISCUSSION

This research used SmartPLS to support the data analysis. We employed (PLS) regression to 983 data that have been collected. To ensure research model with convergent validity, we deleted indicators with score below 0.7. Indicator BI4 obtained score 0.623, however it can be accepted. In this experiment, we are successfully obtained score for indicators above 0.7 as shown in Figure 2.
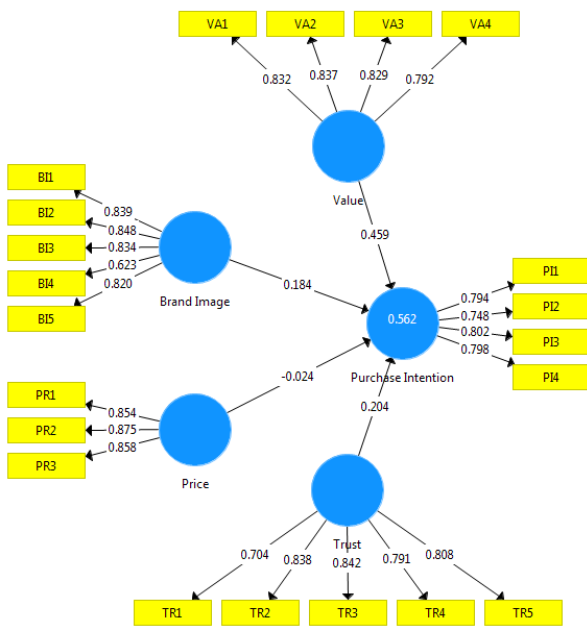

Fig. 2 Result of outer loading value

TABLE II
VALUE OF OUTER LOADING

Factor	Indicator	Factor Loading
Brand Image	BI1	0.839
	BI2	0.848
	BI3	0.834
	BI4	0.623
	BI5	0.820
Purchase Intention	PI1	0.794
	PI2	0.748
	PI3	0.802
	PI4	0.798
Price	PR1	0.854
	PR2	0.875
	PR3	0.858
Trust	TR1	0.704
	TR2	0.838
	TR3	0.842
	TR4	0.791
	TR5	0.808
Value	VA1	0.832
	VA2	0.837
	VA3	0.829
	VA4	0.792

In this study, we obtained score for the composite reliability (CR) for the constructs Brand Image (BI), Price (PR), Purchase Intention (PI), Trust (TR) and Value (VL) with score 0.896, 0.897, 0.866, 0.897 and 0.893 respectively. This condition is indicated that research model is high levels of internal consistency reliability [17]. For composite reliability, Hair et. al (2006) suggest for accepted value between 0.60 until 0.95 and value of cronbach's alpha must be greater than 0.7 [15], [16].

TABLE III

VALUE OF OUTER LOADING, AVE, CR AND CRONBACH'S ALPHA

Factor	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Brand Image	0.853	0.865	0.896	0.636
Price	0.828	0.834	0.897	0.744
Purchase Intention	0.793	0.795	0.866	0.617
Trust	0.856	0.859	0.897	0.637
Value	0.841	0.841	0.893	0.677

We used significant level 0.05 with two-tails to test hypothesis that have defined. Based result of data analysis, Value has the biggest influence to Purchase Intention with t-value 11.619. Next, Trust also has influence to Purchase Intention with score 5.628. Brand Image also has influence to Purchase Intention with score 5.253. Unfortunately, Price has no influence Purchase Intention with score 0.749. Costumers do not think about price because there are no significant different among service provider for transportation service.

TABLE IV

HYPOTHESIS TESTING

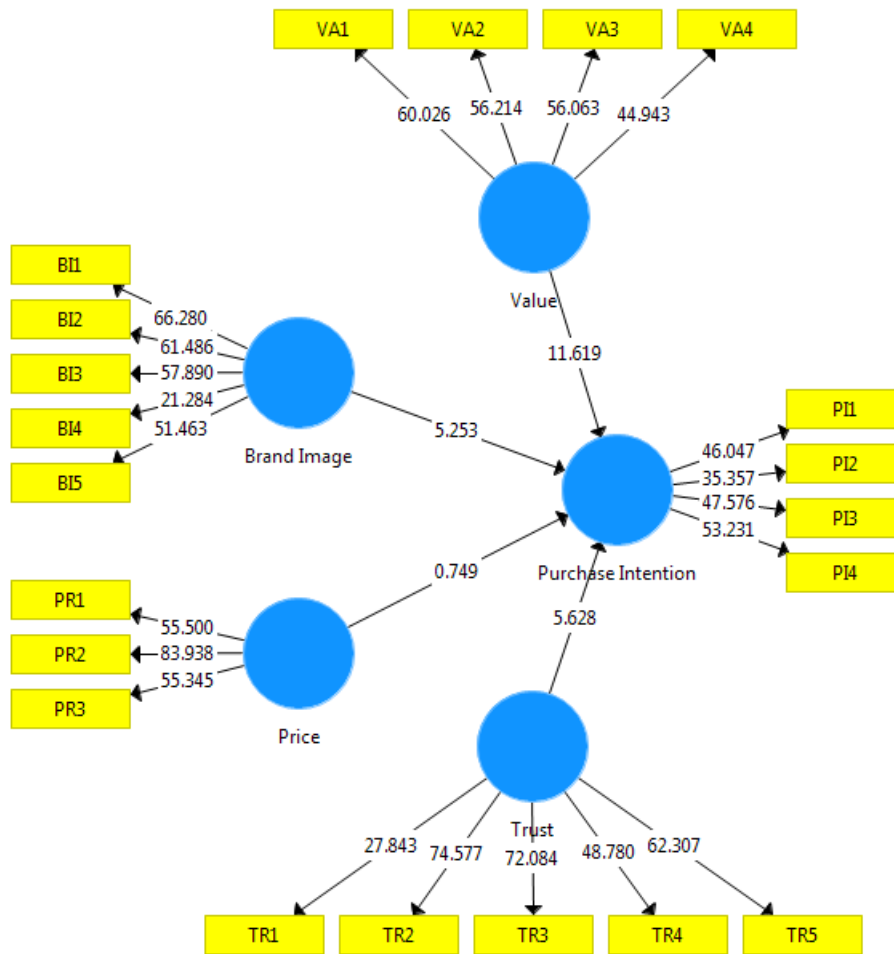| Hypothesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Brand Image -> Purchase Intention	0.184	0.184	0.035	5.253	0.000
Price -> Purchase Intention	-0.024	-0.023	0.032	0.749	0.454
Trust -> Purchase Intention	0.204	0.206	0.036	5.628	0.000
Value -> Purchase Intention	0.459	0.458	0.039	11.619	0.000

Fig. 3 Research result with T-statistics value

V. CONCLUSION

As the conclusion of this research is elaborated below:

1. The data used for this research are collected by using GoogleForm Questionnaire from 20 December 2017 until 20 January 2018 as many 1250 questionnaires

2. Value has the biggest influence to Purchase Intention with t-value 11.619. Next, Trust also has influence to Purchase Intention with score 5.628. Brand Image also has influence to Purchase Intention with score 5.253.

3. Unfortunately, Price has no influence Purchase Intention with score 0.749. Costumers do not think about price because there are no significant different among service provider for transportation service.

VI. AKNOWLEDGEMENT

VII.   REFERENCES

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