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## **The Effects of Brand Image on Online Perceived Quality, Online Brand Personality and Purchase Intention**

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**Abstract:**

*The purpose of this study is to determine the influence of brand image, online perception of credibility and online perception of buying interest in the market of smartphone products with a case study in the Semarang City, Indonesia.*

*It is a quantitative research by using a survey with 200 questionnaires. The results are valid and reliable against the interest in buying smartphone products.*

*Furthermore, the brand image is positively related but not significant to the interest of buying smartphone products. Online brand personality and online perceived quality are positively and significantly related to the interest of buying.*

**Keywords:** *Brand image, online perceived quality, online brand personality, purchase intention.*

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## 1. Introduction

Smartphones are now becoming a popular product in Indonesia. Consumers have a lot of smartphone options in Indonesia, they are very enthusiastic with the emergence of smartphones, that many companies issued various features, prices, and different brands. Internet is used as a place of marketing of these smartphone products. Consumers in Indonesia buy smart phones through smartphone and internet stores. Some smartphone companies in Indonesia introduce their products through internet media, with various promotions, such as free products, and product discounts. Consumers tend to buy well-known products, with a positive brand image, then consumer concerns will diminish due to the quality of the product (Časas *et al*, 2016)

The purpose of this research is to find the relationship and the influence of brand image, online perceived quality, online brand personality and purchase intention. The research findings show a significant relationship between brand image, perceived quality, perceived quality, and purchase intention in accordance with correlation analysis.

## 2. Literatur Review

### 2.1 Brand Image

Brand image is a description of the association and consumer beliefs on a particular brand. Aghekyan-Simonian *et al.* (2012) defined product brand image as perceptions about a brand reflected in consumer's memory. The favorability of brand associations produces relevant attitudes about the product. The more famous the brand image, the more positive the attitude toward the branded product and its attributes. e-WOM is one of the most effective factors influencing brand image and purchase intention of brands in consumer markets. Jalilvand and Samiei (2012) claimed that a more favorable product brand image has a positive effect on purchase intentions and consumers are more likely to shop online products with well-established brand names. Good emotional perceptions attract consumers to brands (Chiang, 2007; Fadhilah, 2017).

The construction and the maintenance of a brand image is a prerequisite to the online perceived quality. Theoretically, all products and services could be demonstrated by functional, symbolic or experimental elements, through which brand image is established. Scholars haven't come to an agreement on the definition of brand image, and researchers define brand image mainly in four perspectives:

- ✓ blanket definitions,
- ✓ meanings and messages,
- ✓ personification,
- ✓ cognitive or psychological elements (Zhang, 2015; Suroso *et al.*, 2017).

Product brand image is often defined as “*perceptions about a brand as reflected by the brand associations held in consumer and the favorability of brand associations produces relevant attitudes that transfer to the product. More favorable the brand image, the more positive the attitude toward the branded product and its attributes and favorable product brand image has a positive effect on purchase intentions and consumers are more likely to shop online for products with well-established brand names*” (Aghekyan-Simonian *et al.*, 2012).

## **2.2 Brand personality**

Among the five brand personality dimensions, excitement and sophistication were the most strongly associated with perceived quality. The dimensions of excitement and sophistication were also found to be positively related to perceived quality when the brands have symbolic and experiential brand concepts, respectively. In addition to the traditional use of price signals, guarantees and brand name, brand personality is an important cue that marketers can use to signal the brand’s perceived quality to the consumer (Ramaseshan and Tsao, 2007).

Brand personality is a set of human characteristics associated with the brand. Toldos-Romero *et al.* (2015) employed a rigorous set of procedures to develop, evaluate and measure the human personality in psychology and marketing studies. Among the personality characteristics are honesty and wholesomeness. Excitement comprises characteristics like daring, spirit, imagination and modernity. Erdogmus and Budeyri-Turan (2012) defined competence characterized by reliability, intelligence and success. Sophistication comprises characteristics like elegance and charm and ruggedness is characterized by love of the outdoors and toughness, so brand personality is an important symbolic association in the creation of loyalty. They argued that brand personality is self-image congruence and level of engagement with the brand.

## **2.3 Online Perceived Quality**

Online perceived quality is the perception of the customer regarding the quality or overall superiority of the product or service with respect to the stated objectives, relative to the alternatives in online transactions. Perceived quality is defined as the consumer’s judgment about the superior or excellence of a product, which is based on subjective perceptions (Erdoğmuş and Budeyri-Turan, 2012). Perceived quality is an attitude, the comparison of consumer expectations with the actual performance and considering quality studies in ready-to-wear sector, it is observed that the consumers’ perception of clothing quality is multidimensional rather than unidimensional (Hsin Chang and Wen Chen, 2008). Perceived quality is a factor believed to have an influence on purchasing intentions against perceived quality in ready-to-wear. It can be classified into two dimensions as intrinsic and extrinsic product while intrinsic cues are product attributes which cannot be changed or experimentally manipulated without changing the physical characteristics of the

product itself. On the contrary, extrinsic cues, such as brand name and price, are not a part of the physical product and can experimentally be manipulated without changing the physical characteristics of the product (Kambiz Heidarzadeh Hanzaee, 2012).

## 2.4 Purchasing Intention

Purchase intention is the tendency of consumers to buy a brand or take action related to the purchase as measured by the level of likelihood of the consumer making a purchase (Kambiz Heidarzadeh Hanzaee, 2012). Consumer could be positive when the relative evaluation of price is high. Price is perceived as reasonable, consumers may tend to have a greater intention to purchase (Chiang, 2007; Kim *et al.*, 2005; Schuitema and De Groot, 2015). Purchase intentions for apparel products often require physical examination prior to purchase. Greater risk is associated with shopping online for apparel products, making it important to examine factors that reduce various risks influencing online purchase intentions (Mulatsih *et al.*, 2017; Isnarno *et al.*, 2018; Aghekyan-Simonian *et al.*, 2012).

Purchase intention represents the possibility that consumers will plan or be willing to purchase a certain product or service in the future. An increase in purchase intention means an increase in the possibility of purchasing. Wu *et al.* (2011) indicated that interpersonal and branding cues shape consumer purchase intentions (Jalilvan and Samiei, 2012). Erdoğmuş and Büdeyri-Turan (2012) argues that buying interest is attitudes toward advertising messages and ultimately affects buying interest.

## 3. Hypotheses Development

### 3.1 Brand Image

Product categories that typically require physical evaluation, such as apparel, some of the information desirable for making a purchase decision is not available online. Consequently, brand image may serve as an important surrogate for intrinsic product attribute information that is not available online. Brand image positively affects the purchase intention (Aghekyan-Simonian *et al.*, 2012). Brand image was a significant moderator between normative interpersonal influences and luxury purchase intentions. Davis *et al.* (2009) also suggested that brand awareness, brand image, and brand equity scales are valid and reliable in the context of logistics services. Brand image has a positive effect on purchase intention (Reza and Samiei, 2012).

Brand image is not a mediator of the effects of involvement/knowledge on purchase intention. The direct effects of store image and service quality on brand image and purchase intention for a private brand label is also investigated. The store image has a direct and positive effect on brand image and purchase intention. They showed that service quality has a direct and positive effect on brand image, brand image has positive effect on perceived quality (Ranjbarian *et al.*, 2012).

Interpersonal influences and branding cues shape consumer luxury purchase intentions (Fatimah, 2018). The results of his study showed that while normative interpersonal influences were found to be significant across nations, the role of informational interpersonal influences were significant among consumers. Brand image was a significant moderator between normative interpersonal influences and luxury purchase intentions. Brand awareness, brand image and brand equity scales are valid and reliable in the context of logistics services. The arguments presented above lead to our research hypotheses. The restaurant image was also found to be a significant antecedent of customer perceived quality (Ryu, *et al.*, 2012).

Consumers employ a product's brand image in deriving overall perceptions of the specified product, and the consumers may infer a product with higher brand image as product of superior quality and value, conduct an experiment research have discovered that consumers' perception of quality and value are significantly affected by brand image. Similar conclusions are derived, their studies support the notion that brand image, in many occasions, served as consumers quick reference, or "short-hand" of quality and value representation. Brand image is used by consumers to evaluate the perceived quality of products, conclude that there is a positive relationship between brand image and perceived quality (Severi and Ling, 2013).

The brand image is part of the brand equity, by arguing that the consumer perceptions of the brand image will create the impact toward the brand equity of a particular product or service offered. It is stated that one of the key elements of brand equity is perceived quality and it is the core construct in the research to appraise brand equity, brand equity will be increased with the help of promoting positive perceived quality; perceived quality is part of brand value that leads consumers to select a particular brand rather than another competing brand. Based on the aforementioned, theoretical interrelationship among perceived quality, brand image and brand equity has been proved, but there is a lack of study to evaluate the mediating relationship among these three constructs. Therefore, this paper tries to evaluate the relationship between brand image and brand equity mediated by perceived quality. The research hypotheses are set as follows:

*H1: Brand image positively affects purchase intention;*

*H2: Brand image positively affects online perceived quality.*

### **3.2 Online Perceived Quality**

Perceived quality is defined as the consumer's judgment about the superiority or excellence of a product, which is based on subjective perceptions to consumer. Perceived quality is an attitude that results from the comparison of consumer expectations with the actual performance purchasing. The consumers perception of clothing quality is multidimensional rather than unidimensional, and perceived quality in ready-to-wear can be classified into two dimensions as intrinsic and

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extrinsic product cues, perceived quality is positively related to purchase intention (Hsin Chang and Wen Chen, 2008).

Perceived quality distinguish into four categories as intrinsic, extrinsic, appearance and performance for ready-to-wear products. Intrinsic cues are construction, fabric, notions/findings; whereas brand, country of origin and cost are included under extrinsic cues. The color, design features, fashion orientation, feel of fabric and suitable style cues are considered extrinsic; performance, care, design features, fabric hold shape, fabric pill, wrinkle and durability cues are also used. For the relationship between perceived quality and brand loyalty, several studies indicate a positive impact of perceived quality on purchase intention. Perceived quality is positively related to purchase intention (Kambiz Heidarzadeh Hanzae, 2012).

Intrinsic cues are product attributes which cannot be changed or experimentally manipulated without changing the physical characteristics of the product itself such a nature of fiber. In the contrary, extrinsic cues, such as brand name and price, are not a part of the physical product and can experimentally be manipulated without changing the physical characteristics of the product. Significant relationships between brand image, perceived quality, perceived quality and purchase intention has been noticed by Ya-Hui Wang, (2014). The research hypothesis is stated as follows:

*H3: Online perceived quality positively affects purchase intention.*

### **3.3 Online Brand Personality**

Brand personality is the set of human characteristics associated with the brand, assembling a list of fit vetrails to measure the human personality in psychology and marketing studies. Comprises personality characteristics like honesty and wholesomeness, excitement comprises characteristics like daring, spirit, imagination and modernity. Competence is characterized by reliability, intelligence, success and sophistication comprising characteristics like elegance and charm. Brand personality is positively related to perceived quality (Ramaseshan and Tsao, 2007).

Brand personality is positively related to perceived quality (Erdoğan and Büdeyri-Turan, 2012). Brand personality is formed by the consumer's experience with the brand and by advertising. Another objective of this study was to compare the ratings of brand-personality dimensions of users' brands to understand how they perceive brands differently, and with this information help a company to maintain sales and brand loyalty, or increase the size of its consumers. When brand personality is studied with regard to users, significant differences are found. Brand personality is positively related to perceived quality (Malodia *et al.*, 2017).

The characteristics unrelated to the product, which can affect its brand personality, are the style of advertising, its symbol, its time in the market, its country of origin,

the image of the company and its president, the endorsement of celebrities, its sponsorship and the imagery of the user. Toldos-Romero *et al.* (2015) claimed that as the behavior of a person affects the perceptions of others regarding his or her personality, also the actions of brands affect their personality. Brand personality is positively related to purchase intention.

Brand personality is formed both from characteristics related to the product and those unrelated to it. The characteristics related to the product are the type of packaging, price, attributes and category of the product. Perceived socioeconomic class of the product can affect its personality, brand personality is positively related to purchase intention (Wang *et al.*, 2008). The research hypotheses are set as follows:

*H4: Brand personality positively affects online perceived quality;*

*H5: Brand personality has a positive effect on purchase intention.*

#### **4. Methodology**

Data were collected from a sample of 200 respondents in the province in Semarang, Indonesia, to test the model and the hypotheses. Sampling technique is using purposive sampling by setting several criteria such as knowing the sale of mobile phone online; have done transactions online; have purchased online.

To measure brand image, online brand personality and online brand perceived value to purchase intention we have used 16 items, for brand image 4 items, for online brand personality 4 items, for online perceived value 4 items and for purchase intention 4 items. The empirical model below illustrates a theoretical approach that purchase intention can be influenced by online brand personality and online perceived quality that impacts on increased purchase intention.

#### **5. Results**

Brand image purchase intention has a positive effect on purchase intention with a coefficient of 0.11 (H1), brand image has a positive effect on perceived value of 0.19 (H2), online perceived value positively affect purchase intention of 0.20 (H3), online brand personality has positive effect on online perceived value of 0.18 (H4), online brand personality has a positive effect on the purchase intention of 0.18 (H5).

In regression equation weight brand image has no significant relationship to purchase intention of 0.208 (H1), brand image is significant to perceived value of 0.029 (H2), online perceived value is significant to purchase intention of 0.18 (H3), online brand personality is significant to online perceived value of 0.038 (H4), online brand personality is significant to purchase intention by 0.038 (H5) (Figure 1 and Table 1).

Figure 1: Hypotheses testing results

Chi-square=122.001 Probability=.051 DF=98 CMIN/DF=1.245 GFI=.933 AGFI=.907 TLI=.978 CFI=.982 RMSEA=.035

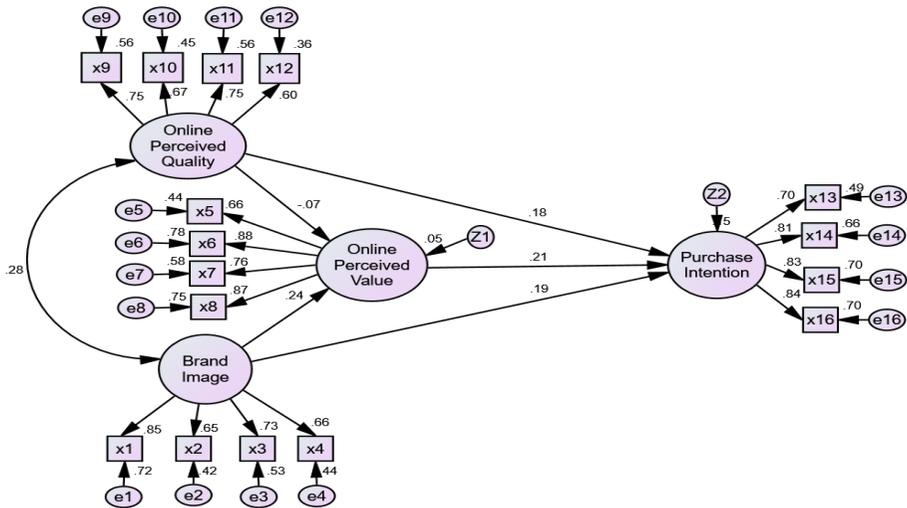


Table 1. Result of The Hypothesis

Hypothesis		$\beta$	P	Result
Online Perceived Quality	<- Brand Image	.200	.046	accepted
Online Perceived Quality	<- Online Brand personalty	.168	.030	accepted
Purchase Intention	<- Online Perceivd Quality	.173	.018	accepted
Purchase Intention	<- Online Brand personalty	.143	.037	accepted
Purchase Intention	<- Brand Image	-.118	.178	rejected

Table 2 also shows the effect of online perceived quality as a mediating variable. We found online perceived quality to mediate the effect of brand image on purchase intention (Sign. test = 1.43;  $p < 0.05$ ), able to mediate the influence of online brand personality on purchase intention (Sign. test = 0.24575850;  $p = 0.05$ ).

Table 3. Validity and Reliability

Variables	Indicators	Factor Loading	
Brand Image	X1	0.765	CR = 0.787 AVE = 0.516
	X2	0.738	
	X3	0.718	
	X4	0.648	
Online perceived value	X5	0.720	CR = 0.875 AVE = 0.636
	X6	0.812	
	X7	0.814	
Online Brand quality	X8	0.840	CR = 0.798
	X9	0.851	
	X10	0.625	

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	X11	0.728	AVE= 0.512
	X12	0.634	
	X13	0.671	
Purchase intention	X14	0.848	CR = 0.869
	X15	0.766	AVE 0.627
	X16	0.867	

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The analysis has been analyzing with AMOS 22 statistical software for the equation of our structural model, showing a good level of modeling (CMIN=134.198, GFI=0.930, TLI=967, CMIN/DF=1.369, AGFI=0.902, CFI= 973, RMSEA=0.43).

## **6. Conclusions**

This study should prove useful to marketing practitioners to understand how Indonesian customers perceive their brands and those of their competitors. Therefore, to understand what competitors of these brands personality can do to increase purchase intention. The results uncovered regarding purchase intention are important, as they can be used to identify those personality brand dimensions that appear to be more important in explaining consumer preferences. The analysis can be done for different brands, product categories and segments of consumers to define which communication strategies should be used to reach strategic targets.

Although the number of articles on the congruence between brand personality and online perceived quality has noticeably increased lately, researchers still unanimously deplore the limited amount of investigation in this topic, as compared with the research dealing with brand image.

The results of this study are expected to provide information to the company, that purchase intention can be influenced by online variables perceive value and online brand personality. Therefore, the company must improve the brand image continuously by always paying attention perceived online, perceived quality and brand personality online that can increase the consumer's buying interest. This attention and support from various parties is needed in various forms such as perceived improvement program of companies in various costumers so that will give positive contribution to existence and business development well for the future.

The purpose of this research is to know the relationship and the influence of brand image, online perceived quality, online brand personality and purchase intention, and to test the influence of demographic variables on these four dimensions. The research findings show a significant relationship between brand image, online perceived quality, online brand personality, and purchase intention in accordance with correlation analysis.

In the test of the influence of demographic variables on brand image, online perceived quality, online brand personality, and purchase intention, the results of

Structural Equation Modeling show that there is a positive and direct effect between brand image, online perceived quality and online brand personalty. The brand image enhancing online perceived quality, online perceived quality increases purchase intention, online brand personalty enhances online perceived quality and online brand personalty increases buying interest, but brand image has positive but insignificant effect on purchase intention. This means that brand image does increase consumer buying interest, and buying interest is influenced by online perceived quality and online brand personalty but not to brand image.

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