Analysis of the Influence of Brand Equity Elements on Consumers Purchase Intention of Packaged Tea Products

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Abstract:

The goal of this study was to examine the relationship between brand awareness, brand association, perceived quality, and brand loyalty and consumer preference, as well as the relationship between brand awareness, brand association, perceived quality, and brand loyalty and purchase intention. Additionally, it examined the relationship between consumer preference and interest in purchasing as an intervention variable. The research was conducted purposefully from November to December 2022. Data sources were obtained through online survey results (primary data) and through literature (secondary data). Sampling using the incidental sampling method based on the Lemes how formula with an unknown population size produces a minimum of 100 samples. Data collection used a questionnaire with a Likert scale of 1-4. Descriptive analysis and SEM-PLS, which are utilized to analyze the data, are processed using Smart PLS 3.0 software. The findings demonstrated that brand loyalty and brand awareness variables had a direct impact on consumer preferences, however brand association variables and quality judgments did not. While brand awareness, brand associations, and brand loyalty do not directly affect purchase intention, perceived quality characteristics did have an impact on customer buying interest. The intention to purchase does not indirectly depend on perceived quality.

INTRODUCTION

Tea consumption is a behavior that is closely related to the daily habits of the Indonesian people. Tea is usually an opening drink in the morning or a companion drink. Tea can be served hot or cold. Not only does tea act as a drink that gives pleasure, but it is also able to improve one's health; its polyphenol and catechin content can act as antioxidants, anticancer, antidiabetic, anti-heart disease, and anti-a number of other degenerative diseases. Usually, tea is brewed in a teapot or filter to be enjoyed. Along with the development of people's lifestyles, this process becomes less practical. So that tea can be enjoyed while doing outdoor activities, an innovation is needed. One of the innovations in tea drinks that are now widely consumed is packaged tea (Adinugroho et al., 2022).

The packaged tea category has many brand offerings on the market, giving rise to intense competition within the category. The emergence of this competitor is not helped by bringing new offers that differentiate brands from one another by looking at the needs and expectations of consumers for packaged tea. It is undeniable that this can affect consumer attraction to other brands in the packaged tea category (Adnaya & Nyoman, 2019). It is also possible that there is a shift in brand value in the market due to a change in the consumer's choice when they want to make a purchase.

The role of the brand is crucial to maintaining the product in a competitive market. A prominent brand is one that has a high brand equity, which indicates that consumers find it to be very appealing. It is required to do research on the assets that make up brand equity in order to determine the brand equity in items owned by each company. Brand awareness, brand association, perceived quality, and brand loyalty are the four components or aspects of brand assets that help build brand equity (Assauri, 2013).

The desire of people to recognize a brand is related to brand awareness, find out about, and defend the product as their choice. By obtaining information about the product, the use of the product, which gives an inherent impression or view of the product, can form an association (Dewi, 2017). Consumers will judge product quality based on their experience. This can shape the perception of each consumer regarding the performance and quality of the product. The achievement of product satisfaction can lead to strong brand loyalty in the midst of many choices of similar products (competitors). Brand loyalty also refers to the degree of consistency and choice made by a consumer for the same brand in a product category (Haribowo et al., 2022).

Brand equity plays an important role in differentiating one product from another. Brand equity also helps in strengthening the brand through brand extension. Consumers who consume products repeatedly certainly have reasons for making purchases. This refers to the brands they remember, brands attached to categories, and consumer preferences. Preferences can come from the choice of consumers themselves or the results of recommendations. Preferences can also be a statement to measure loyalty. In this case, loyalty is considered a "positive attitude" towards a particular product, often described in terms of an intention to buy. Before deciding to make a purchase, consumers have a desire or intention for the product to be purchased. This intention or interest also includes future purchases or repeat purchases that show consumer loyalty to a brand (Limakrisna & Purba, 2017).

LITERATURE REVIEW

The In Package

Tea is a drink that comes from the tea plant, which is a species of evergreen or small tree whose shoots and leaves are used to produce tea. The history of tea begins with the culture of drinking tea in Yunnan, China, and southwest China. In its development, tea began to invade garden plants throughout the world, including Indonesia. Initially, tea seeds in Indonesia were brought from Japan and planted in Batavia in 1684 as an ornamental plant. In 1832, Indonesia began to open up tea plantations on a large scale under the Dutch East Indies government for export purposes. West Java, specifically the Priangan area, is a production center. Because it is becoming increasingly popular, tea has become one of the commodities that, until now, has produced tea drinks, both abroad

and in Indonesia (Manglo et al., 2021).

Marketing

An organization or institution engages in marketing, which is a thorough, integrated, and planned activity, when conducting business in order to be able to meet market demand by developing and selling high-quality items, setting prices, and communicating, conveying, and exchanging offers. Value for clients, customers, partners, and society as a whole. Marketing relates to the process of identifying consumer needs and then producing these goods or services so that transactions or exchanges occur between producers and consumers. There are tools that help with the marketing concept, namely the marketing mix. By combining the four marketing mix elements, the business uses the marketing mix to determine its marketing strategy. A marketing mix is a collection of elements that make up the marketing system, specifically elements that businesses can manipulate to affect how customers or consumers will respond (Ogunnaike, 2017).

Brand Equity

The idea of brand equity is derived from the outcomes of the company's marketing strategy, which aims to increase the perceived value of the items it offers and the consumer response, which takes the shape of loyalty and trusting relationships. The worth of a brand is determined by its brand equity, which includes factors like high brand loyalty, a well-known name, a distinctive quality, strong brand connections, and additional assets like patents, trademarks, and channel relationships. Good brand equity offers clients high value, increasing the company's worth. In addition to the price, market share, and profitability that the brand generates for the business, brand equity can also be seen in how people feel, think, and act in regard to the brand. Brand awareness, perceived quality, brand associations, brand loyalty, and other brand assets are the five characteristics that make up brand equity. The four key components of brand equity, brand awareness, perceived quality, brand association, and brand loyalty, directly impact other brand assets (Pandiangan et al., 2022).

Consumer Preferences

Preference is a liking (inclination of the heart) to something. Preferences show what an individual likes about a product. With regard to the positive feelings obtained, individual preferences can vary in response to something when faced with a choice. Previously acquired experience and even hereditary beliefs can be the reason for the formation of mindsets that influence consumer preferences. Consumer preference is a practical way to describe the situation of people preferring one item to another (Pearson, 2008).

Purchase Interest

Consumer preferences can shift. The desire to buy something arises because of the motivation to make a purchase. This motivation can be based on a sense of desire or need. Many products in one category can be entered into the consumer's choice before deciding to make a purchase. Interested consumers will make choices based on the products they are interested in. But predicting human behavior is challenging, and consumers may change their choices spontaneously. A consumer's interest in a product (goods or services) is known as purchase intention, which is impacted by attitudes both inside and outside of the consumer. Buying interest is also a response to the existence of a basis of trust in a product accompanied by the ability to buy the product (Siregar et al., 2022; Senoaji et al., 2023).

METHODOLOGY

This study was carried out between November and December of 2022. Respondents in this study were generally obtained from students, office workers, and housewives. The research medium used was an online method of conducting a survey through a Google form that was distributed via social media. Data collection in this study is done using surveys and literature reviews. Determination of the sample using a non-probability sampling method with an incidental sampling technique. This study uses an approach with qualitative and quantitative methods. In this study, the analysis tool used is SEM-PLS, and the data will be processed using SmartPLS 3.0 and Microsoft Excel.

RESULTS AND DISCUSSION

Consumer preferences are directly affected by brand awareness, which suggests that brand awareness is the point at which customers can distinguish the Sosro bottle tea brand from competing brands. In this case, consumers are aware of the Sosro bottled tea brand and recognize the Sosro bottled tea brand in the packaged tea category. This high brand awareness can create a feeling of liking that encourages purchasing decisions.

Brand association has no significant direct effect on consumer preferences. This states that consumers do not make note of information on symbols, packaging attributes, practical culture, or social status as a consideration in choosing this brand as a preference. This can be due to the large number of packaged tea brands on the market, which causes the information associated with the brand in memory to not be the only factor that determines preference for one particular brand.

Perceived quality factors do not directly influence consumer preferences. Viewed through the indicators that reflect consumer perceptions of the quality of the Botol Sosro brand, the research shows that this assessment does not make the Sosro Botol tea a consideration in choice (preference). According to the findings of this study, it is brand awareness and brand loyalty that influence consumer preferences rather than the quality of the Botol Sosro brand. As stated by Pearson & Henryks (2008), product quality factors are described as desirable dimensions in determining preferences and buying decisions.

According to the findings of the hypothesis test, there is a considerable direct relationship between brand loyalty and consumer preferences. According to these results, H0 is accepted and H3 is rejected, meaning that perceived quality does not significantly influence consumer preferences. In line with research conducted by Angga (2018), brand loyalty influences consumer preferences. Also supported by Durianto (2004: 8), brand loyalty, which is supported by preferences, will make consumers fall in love with and be loyal to the products of that brand.

Purchase intention is not directly influenced by brand awareness. Consumers' demands for purchases are mostly influenced by indirect brand awareness of the Botol Sosro Company. This can happen because of the availability of information or choices regarding the brands available in the packaged tea market. Recommendations for the Sosro bottled tea brand are also not significant in influencing consumer interest in buying it. Brand awareness helps in the process of determining choices (preferences), but in generating buying interest, it returns to the choices of the consumers themselves. According to the results of a survey of packaged tea consumers by Jakpat (2019), the Sosro bottled tea brand occupies the first position in the level of brand awareness but occupies the fourth position in the brands most frequently consumed. Indicates that the Sosro Botol tea brand is well-known, but consumer purchasing interest in Sosro Botol tea is unaffected by other brands in the same category.

The brand association factor has no direct effect on purchase intention. Consumers do not consider the memory of the associated Botol Sosro brand in their minds as the main reason for making a purchase. The recall of the information obtained by consumers on the Sosro bottle brand is not necessarily a major consideration. Logos, packaging, prices, and the advantages of the product can all be used to gather information about it, but they don't necessarily influence consumer interest in purchasing. The results of this study indicate that consumer interest in making a purchase is more influenced by the perception of the product's quality. This might be as a result of the weak correlations with Botol Sosro, or it could be possible that the impression of quality and characteristics is the distinguishing element that most helps consumers choose the Sosro Botol tea brand among other brands in the market. This can be supported by the fact, according to Aaker (2018: 171) that consumers do not always make purchasing decisions based on detailed specifications or a lack of motivation on their part to process product information in detail.

Perceived quality factors affect purchase intention. Consumers consider the quality and characteristics attached to the Sosro Botol tea brand as the reason for choosing to buy it. The existence of these considerations indicates that consumers' assessment of the quality, characteristics, and performance of the Sosro Botol tea brand, starting from the taste, color, and freshness, is considered to be a distinguishing characteristic of the Sosro Botol tea brand from other competing brands in the market. The taste of Botol Sosro tends to be sweet with a bitter aftertaste that is typical of tea, which gives the product a unique perspective from other brands in the minds of consumers. Brand loyalty does not significantly and directly influence the intention to buy. This may suggest that consumers are

still in the category of not habitually or regularly using Sosro bottled tea items, which is in keeping with Qonita's research (2020), which claims that brand loyalty is not significant for purchase intention. This can be caused by brand competition in the packaged tea beverage market.

Purchase intention is directly and significantly impacted by consumer preferences. This is consistent with studies by Adnyana (2019) and Sanjaya (2014), which found that preference has a favorable and significant impact on customer purchasing interest even with various samples. The preferences of the consumers themselves can have an impact on their decision-making process when it comes to what products they will buy. According to the study's findings, consumer preferences for the Sosro brand of bottled tea can affect consumers' actual purchasing decisions. Positive influence shows the direction of a mutually beneficial relationship. If preference is high, consumer interest in the product will also be high.

Brand awareness has an influence of 11.4% on purchase intention through consumer preferences. According to the hypothesis test results, brand awareness has an indirect relationship with purchase intention because it is mediated by consumer preferences. Consumer awareness of the Sosro bottled tea brand can influence their preferences among other brands in the packaged tea category. The initial step in the buying process usually involves selecting a brand among other brands in the category. Of course, the level of familiarity or consumer awareness can help provide recognition that the Botol Sosro brand is a brand in the packaged tea category.

Via consumer preferences, brand association has a negative impact of 0.4% on purchase intention. The results of the hypothesis test show that brand association does not significantly influence purchase intention when customer preferences are considered as a mediating factor. The Sosro bottle tea brand's logo is described as having the highest rating score according to the results of this study, which were produced through descriptive analysis of the variables. This demonstrates that while discussing this brand, the logo is the most significant social trait.

Via customer preferences, perceived quality has a positive impact of 8.3% on purchase intention. According to the findings of the hypothesis test, consumer preferences do not mediate the relationship between perceived quality and purchase intention. However according to the outcomes of direct hypothesis testing, customer preferences are not a mediating factor in the relationship between perceived quality and purchase intention. Considering that there are many brands in the packaged tea category, the quality offered by Sosro is not the only brand that is preferred in terms of quality. This quality is reflected in terms of the characteristics of the research instrument, where there is an assessment of the taste, color, freshness, and performance (the product is not defective) offered. The assessment (perception) is also based on the consumer's subjective evaluation of the overall product quality (Tjiptono, 2011: 97). Quality perceptions are subjective, and this perspective represents individual customer attitudes toward the goods that are not readily apparent as a whole (Firmansyah, 2019: 102).

According to the findings of the hypothesis test, brand loyalty has a substantial indirect association with purchase intention since it is mediated through customer preferences. Consumer loyalty to the Sosro bottle tea brand shows a positive attitude, where there is an influence from consumers who are loyal to the product and tend to prefer a loyal brand for them to buy compared to other brands in the packaged tea category.

CONCLUSION

The following conclusions can be derived from this study's data processing, analysis, and discussion results: With values of 2.005 and 4.305, respectively, where the t-count is larger than 1.95 and the p-value is less than 0.005, brand awareness and brand loyalty variables significantly directly affect consumer preferences, according to the results of hypothesis testing based on the variable's t-value. The t-count value 1.95 and p > 0.005 show that brand association factors and perceived quality do not significantly affect consumer preference for the Sosro bottled tea brand. With a value of 2.347, which denotes a t-count > 1.95 and a p-value 0.005, the test results based on the variable t-count value demonstrate that perceived quality has a direct impact on the intention to purchase tea in the packaging of the Sosro bottle tea brand. As shown by the t-count 1.95 and p > 0.005, brand awareness, brand association, and brand loyalty variables did not significantly affect purchase intention directly. With a score of 11.089, showing a t-count > 1.95 and a p-value of 0.005, the test findings based on the variable t-count value demonstrate that the consumer preference variable has an impact on consumer purchasing interest. According to the test results based on the variable t-count value, brand loyalty and brand awareness indirectly impact purchase

intent through consumer preferences. With the indicated values of 1.968 and 1.036, which indicate a t-count greater than 1.95 and a p-value of < 0.005. Meanwhile, brand association variables and perceived quality have no influence on purchase intention through consumer preferences for tea packaged in Sosro bottled tea brands, as indicated by t-count values < 1.95 and p > 0.005.

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