

Brand equity is mediated in influencing purchase intentions on e commerce

Angga Febrian^{1*}, Cinthia Annisa Vinahapsari²

¹ Faculty of Economic and Business, Universitas Teknokrat Indonesia, Lampung, Indonesia

² Faculty of Economic and Business, Universitas Teknokrat Indonesia, Lampung, Indonesia

* Corresponding author: angga_febrian@teknokrat.ac.id

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Abstract:

This study discusses a model to discuss the effect of electronic service quality that influences purchase intentions, but with brands that affect both. a brand can be a major force in influencing purchase intentions. Distributing questionnaires to consumers who have purchased products online and processed using smartplselectronic service quality has a significant effect on consumer purchase intentions through brand equity, if without going through brand equity mediation, the results are not significant, it means consumers still see a good brand to buy it. E-commerce service providers must be able to improve in building a brand to be better known by consumers.ultimately this research contributes to the explanation of the relationship of how brands can mediate between service quality and purchase intention

Keywords: Branding, influence, purchase intentions, e commerce

I. INTRODUCTION

Although it has an internet penetration rate of only 53.7 percent, lower than many countries in the Asia Pacific, Indonesia is one of the countries with the highest number of internet users in the world. as of December 2017, 143.3 million of the country's total population of more than 260 million were active internet users (APJII, 2017). Many Indonesians access the internet regularly through their mobile devices and are expected to surge by almost 36 percent by 2023. By 2021, e-commerce sales are set to exceed revenues of 14.47 billion US dollars, up from 5.65 billion US dollars by 2016. The number of digital buyers in the country, people who are expected to buy goods and services online, is projected to nearly double between 2015 and 2021 (statista, 2018). In this digital era, people are facilitated with the help of technology that helps in some daily activities. society in generation Z which dominates the digital market is now a big opportunity for business people in conducting sales transactions.

E-commerce companies that are known to be close to the public such as Tokopedia, Blibli, and Bukalapak run their business as the largest electronic market in Indonesia. They compete in winning the market in various ways so that people can easily use their products.

Consumer confidence in buying online on e-marketplaces is based on good communication between consumers and sellers in the online environment. If the seller is difficult to make effective communication and good service, then the buyer will review the perception of the e-commerce platform of choice for conducting online transactions (Chong, Lacka, Boying, & Chan, 2018).

Table 1

Visitor costumer to e commerce	
e-commerce	Number of visitor
Tokopedia	140.414.500

Bukalapak 89.765.800

Source: Iprice 2018

Tokopedia becomes the biggest e commerce in the number of visitors, that is the reason this research focuses on consumers who have bought at Tokopedia. Research that has been done on generation Z groups shows that technology has a significant influence on the experience of Z generation consumers in buying a product on a business online. They hope that the new tools used in the process can be widely available and easily accessible, so that consumers can make transactions easily (Priporas, Stylos, & Fotiadis, 2017). The younger generation can be reached easily through the use of social media marketing. In modern marketing, it shows that the power of technology in its utilization in the business world can reach customers more quickly and efficiently. When providing the platform, it must be accompanied by good service quality, even though the business person does not directly meet with consumers. Good service quality will encourage customers to give positive online reviews (Fauzan, Nisafani, & Wibisono, 2019). Electronic service quality (eSeQual) will affect the brand image. When customers shop online, finding products easily and completing orders efficiently becomes a customer's desire that must be fulfilled. Meeting the needs of consumers is expected to be available in the transaction system customers will do. Site privacy and security are also important and must be considered so that customers become confident with the brand. Customers will voluntarily send their personal information if they feel safe and continue with online shopping if they feel safe. Offering various features to make it easy and efficient is also done for business vendors (H. H. Chang, Wang, & Yang, 2009). The authentic experience of visitors when choosing a product will be influenced by the contribution of brand equity development through its dimensions namely, brand awareness, perceived quality, and

brand loyalty which have an impact on increasing customer perceptions of the product (Phung, Ly, & Nguyen, 2019). In the end this research will contribute to the use of good service effectiveness in online channels that affect consumer purchase intentions and have an impact on increasing sales.

II. Literature review and Hypothesis

E SeQuel to Brand Equity

e-retailers in providing good quality services in order to create consumer loyalty, it requires special attention in what attributes can really be used as an evaluation of eSeQual (H. Y. Kim & Chung, 2011). Service quality in online spaces has a positive influence on the formation of brand equity, although there must be some indicators that need to be addressed in the service (Abu ELSamen, 2015). More than just a few between the quality of traditional service and electronic service quality, but both have the goal of providing good service in order to get customer satisfaction that will ultimately create a good brand in consumers. The company's success can be driven from the web presence in eSeQual implementation. Electronic service quality variables use measurement of four indicators, namely efficiency, fulfillment, security, privacy (Lopes, de Lamônica Freire, & Herrero Lopes, 2019), business people who provide web services must be able to understand and evaluate consumers' online services (Parasuraman, Zeithaml, & Malhotra, 2005). The purchase intention variable uses three indicators namely awareness, attitude, subjective norm, perceived behavior control (Bashir, Bayat, Olutuase, & Abdul Latiff, 2019). Brand equity is positively influenced by eSeQual, the more satisfying the quality of service, the stronger the brand equity (Tsao & Tseng, 2011). Therefore, this study presents the following hypotheses:

H1: eSeQual has a significant effect on brand equity

Brand Equity to Intention

Regarding the relationship between customers and buying consumers, the higher awareness will make the brand imagined by the customer, the more it will influence the customer in choosing products (Tsordia, Papadimitriou, & Parganas, 2018). This is the basis for the company Always do marketing strategies on the company's brand. In developing a measure of brand equity on a product, companies must be able to think of a strategy which must be carried out high penetration of the dimensions that exist in brand equity. Brand equity uses four indicators namely brand awareness, perceived quality, brand association, and brand loyalty adopted from research (Aaker, 1992; Park, Sung, Son, Na, & Kim, 2019). A good website brand equity will have a positive effect on customer value. Through the perception of brand equity, customers gradually add positive associations for themselves. Consumers will voluntarily increase recommendations and repurchase intentions if they feel high customer value (Tsao & Tseng, 2011). Customer brand experience becomes very important for service provider companies in order to increase the intention to buy customers, but by presenting heterogeneous customers, companies must also be able to determine more appropriate ways so that the strategies implemented can be effective (Moreira, Fortes, & Santiago, 2017).

Theory planed behavior is based on the assumption that humans before making a decision always take into account the information received which will then be evaluated. The intention will be a determinant of someone's attitude, the higher the intention, the higher the level of someone doing the intended attitude. Behavioral intention can be predicted not only by one action but can be done by considering attitudes towards all alternative behaviors with higher accuracy (Ajzen & Fishbein, 1969). Changes in business processes that lead to digital are making changes in the way they also serve consumers. Good electronic services quality will also have an impact on

improving consumer purchase intentions from traditional to digital (Beneke et al., 2016). In this research, brand equity is used as mediation to determine its effect on other variables. Therefore, this study presents the following hypotheses:

H2: Brand Equity has a significant effect on purchase intentions

H3: eSeQual has a significant effect on purchase intentions

H4: eSeQual has a significant effect on purchase intentions through brand equity

III. Research Method

Quantitative analysis is used to measure the effect between variables and the population of consumers who have been shopping at Indonesian e-commerce. Probability Sampling technique procedure used is Simple Random Sampling because the sampling of the population is done randomly without regard to strata in the population so that it can represent respondents in the population. To get the data in this study, interviews and questionnaires were conducted using a Likert scale. The number of samples used are 100 consumers who have purchased products on Tokopedia by dividing the characteristics of respondents seen in table 2. Furthermore, the data will be processed using PLS. PLS is used to process data and be a measuring tool in analyzing the relationship between latent variables and measured through observed variables. Model evaluation in PLS examines the measurement model, focusing on the significance and relevance of the path coefficients and explanatory models (Henseler & Sarstedt, 2013).

Reliability tests are used to show the extent to which the gauges used can be trusted or carried out to determine the consistency and permanence of the measurements. Reliability testing is indicated by the Alpha Croanbach coefficient. Coefficient Alpha (Croanbach Alpha) is a reliability coefficient that shows how well items in a collection are positively correlated with each other. If the reliability test results with Alpha

Croanbach > 0.5 are said to be reliable. Testing the inner model is also called structural testing. This test is assessed based on the Goodness of Fit (GoF) index. The Gof index can be calculated manually by the formula \sum . Three categories of Gof are small 0.1; moderate = 0.25; and large = 0.36. The GoF index in this study is 0.0459 so it can be concluded that the research model is good (Tenenhaus, Amato, & Vinzi, 2004). Evaluation of the model in PLS-SEM follows a two step process. The first step is to examine the different measurement models, depending on the type of measurement model. The second step involves examining the structural model and focusing on the significance and relevance of the path coefficient and the explanatory power of the model (Henseler & Sarstedt, 2013).

The data has been reliable in terms of croanbach alpha data values of more than 0.7 and ave more than 0.5. Discriminatory and convergent validity was measured by means of the mean variance (AVE). To confirm the discriminant validity, the AVE value of each construct must exceed the square correction among other constructs in the proposed model. Furthermore, convergence of validity is adequate when the AVE value of each construct exceeds 0.5 (Fornell & Larcker, 1981).

Table 2
Croanbach and AVE

	Croanbach' Alpha	rho_A	Realibility	AVE
BrandE	0.887	0.900	0.909	0.505
Intention_	0.841	0.865	0.881	0.519

eSeQuel	0.907	0.915	0.922	0.544
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IV. Result and Discussion

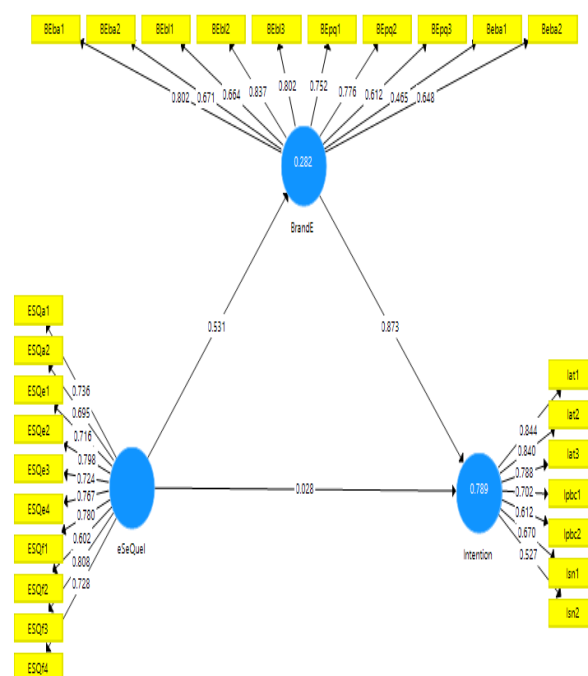


Fig.1. Data processing results

The magnitude of the effect of the eSequel variable on brande is 0.282 while the magnitude of the influence of the esequel variable and brand equity to intention is 0.789. the indirect effect value of brand equity as a mediator is 0.464.

Table 3
Value of influence variable

Orygi nal sampl e (O)	Aver age Samp le (M)	Standa rt Devia si (STD EV)	T Statistic (O/STD EV)	P Valu es
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Brand E->Intention	0.873	0.851	0.077	11.320	0.000
eSeQual el->Brand E	0.531	0.605	0.211	2.518	0.012
eSeQual el->Intention	0.028	0.055	0.079	0.357	0.721

Hypothesis 1 test, eSeQual has a positive effect on brand equity with the results of the data showing the number 0.012 p values > 5% eSeQual and Brand equity. This study concludes that there is a positive effect on eSeQual on brand equity on the website, brand equity is influenced by improvements in service quality. This conclusion is in accordance with previous research (Tsao & Tseng, 2011; Yoo, Donthu, & Lee, 2000). eSeQual affects consumers' perceptions of brand equity, but does not neglect or reduce the quality of offline services, because they are synergistic in building brand image for customers (White, Joseph Mathews, & Voorhees, 2013).

Hypothesis 2 test, brand equity has a significant effect on purchase intention by looking at the results of the data showing the number 0.000 p values > 5%. Brand awareness is the leading indicator of the highest brand equity variable of 0.802, meaning that consumers already understand the brand, giving rise to the trust to buy it. Consumer purchase intentions and consumer preferences to buy goods are greatly affected by high brand equity in a product (Jani & Han, 2014; Pappu, Cooksey, & Quester, 2005). This study provides support to previous research on the positive relationship between brand equity and purchase intentions (Dehghani & Tumer, 2015; Foroudi, Jin, Gupta, Foroudi, & Kitchen, 2018).

Hypothesis 3 test results of data processing shows data 0.721 > p value 0.05 of the value that is required to be significant. eSeQual cannot directly influence purchase intention, it is necessary to have other variables in moderating these variables. In other studies e trust is mediated in forming a positive relationship between service quality and purchase intention (Wang, Law, Guillet, Hung, & Fong, 2015). Emotional variables can also be used as mediations in influencing purchase intentions (J. Kim & Lennon, 2013). The indirect effect of electronic service quality on behavioral intentions through satisfaction mediation is very influential if tested holistically (Gounaris, Dimitriadis, & Stathakopoulos, 2010). The findings of this study are that eSeQual cannot directly influence purchase intentions because the influence of other variables used as mediation will have a positive impact on the achievement of eSeQual's performance. Although there is a positive relationship related to the increase in eSeQual on purchase intentions, but in the context of this study, the measurement of attributes on eSeQual does not all show positive results, efficiency indicators show less than standard results. Respondents consider that in carrying out activities in ecommerce it is difficult for the purchasing process.

Hypothesis testing 4. Brand equity moderates the relationship between eSeQual variables and Intention. other research results also state the relationship of brand equity moderation on trust in service provider websites and impact on consumer purchase intentions (K. C. Chang, Hsu, Chen, & Kuo, 2019). Brand equity is also successful in mediating between the efficiency of advertising costs and the share price in returning investment (Raithel, Taylor, & Hock, 2016).

Table 4
The indirect effect of brand equity

Total Effects	Indirect	Specific Indirect
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Effects		
eSequel	->	0.464
BrandE	->	
Intention		

In the end, this study explains the significant influence between eSeQual variables, brand equity and purchase intentions on a case study of product purchases in e-commerce tokopedia. Other results also prove that eSeQual cannot directly influence purchase intentions, increasing brand equity in e-commerce is needed to be significant. Service providers must increase brand equity by maximizing advertising that can build positive perceptions in the minds of customers.

V. Implications of theory

This article contributes to theory and practice. In theory, e-commerce owners should be aware of the impact of brand equity which can be a moderation relationship in influencing consumer intentions. Limited studies in research on brand equity are used as moderation variables rather than as dependent variables. The relationship between brand equity and purchase intentions applied in services in e-commerce is the difference in the application of the theory. Through theory planed behavior, this study examines the relevance between eSeQual and brand equity, the results of which are significant and can be developed to add other variables to become independent variables. Through the indicators possessed by these two variables can be used as a reference in improving or eliminating indicators that can influence purchase intentions.

VI. Managerial Implications

This research contributes to assist marketing thinking of e-commerce service providers in creating an influence which has an impact on increasing consumer purchase intentions for online shopping. There are several indicators on brand equity such as brand awareness and brand associations that have to be improved, such as

increasing cooperation with other tenants with the aim of providing a large selection of products provided by the website and increasing brand awareness by providing content that attracts customers' attention by adopting from consumer desires taken from the results of the review of the performance of e-commerce services.

VII. Research limitations and further research
This study only uses eSeQual to see the relationship between brand equity variables and purchase intentions. Seeing the implementation in practice, it is necessary to add independent variables in further research in order to be able to assess more fully the phenomena that occur. The number of respondents also needs to be increased in order to represent online shopper users by using e-commerce.

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