The Role of the Brand Image Mediates the Effect Country of Origin on Purchase Intention

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ABSTRACT: The purpose of this study aims to explain the role of brand image mediating the influence of country of origin on purchase intention. This research was conducted in Denpasar City involving 100 respondents using purposive sampling method. Data analysis technique used are descriptive statistical analysis techniques, path analysis (path analysis) and sobel test. The results showed that country of origin had a positive and significant effect on brand image on Honda brand cars in Denpasar. Country of origin has a positive and significant effect on purchase intention on Honda brand cars in Denpasar. Brand image has a positive and significant effect on purchase intention on Honda brand cars in Denpasar. Brand image positively and significantly mediates the influence of country of origin on purchase intention on Honda brand cars in Denpasar.

KEYWORDS: country of origin, brand image, purchase intention

I. INTRODUCTION

The Indonesian automotive industry has been characterized by many competing car brands, so various efforts have been made to attract buying interest. Howard and Sheth (1969) in Priansa (2017: 164) argue that purchase intention is something related to consumers' plans to buy a particular product and how many units of product are needed in a certain period. According to Dewi and Mandala (2018) states that purchase intention is the attitude of consumers towards products that consist of consumer confidence in the brand and brand evaluation, so that from these two stages comes the intention to buy. In Damayana and Rahyuda (2018), Kumala (2012) argues that purchase intention is something that has a relationship with consumers' plans to buy certain goods or services, and several many units of goods or services needed in a certain period.

The number of existing brands makes Honda must maintain its existence in the automotive industry with an effort to attract consumers' interest in order to create buying interest. Opinions that have been elaborated by several researchers can be drawn temporarily that the country of origin variable and the brand image variable can determine the purchase intention.

According to Suria et al. (2016) defines country of origin as a picture, reputation, and the views carried by business people and consumers towards a country. Tati et al., (2015), defines country of origin as an impression of a country, whether it’s about thinking about the characteristics of a country or about related products. The country of origin of Honda brand cars, Japan, is also a determining factor for consumers in buying Honda brand car products. This is supported by previous research by Yanthi and Jatra (2015) and Mayastuti et al. (2014) states that country of origin has a positive and significant effect on purchase intention.

Brand Image (brand image) is a representation of the overall perception of the brand formed by information and past experience of the brand. The image of the brand is related to the attitude in the form of beliefs and preferences towards a brand. According to Fransiska and Seminari (2018) brand image is a person's perception of a group of associations of a brand. Quoting from Rangkuti (2004: 16) in Iswara and Jatra (2017), if a strong brand concept can be well communicated to the right target market, then the brand will produce a brand image that can explain a clear brand identity.

Wang and Tsai (2014) state that brand image does increase purchase intentions. Shah et al., (2012) said that brand image has a significant positive effect on purchase intention interests. The brand image of Honda cars guarantees consumers about their products, so that consumers' concerns are reduced and their purchase intentions for Honda increase.

Yamen Kuoba (2008) and Diamantopoulos et al. (2011) argues that country of origin has a positive and significant impact on brand image. According to Moksaoka and Rahyuda (2016), Yanthi and Jatra (2015), country of origin variables has a positive and significant effect on purchase intention. Research by Yu et al., (2013), Semuel and Lianto (2014) states that, there is a positive relationship between brand image and purchase intention. According to Ahasanul et al., (2015), shows that country of origin influence on purchase intention is through brand image as a mediating variable.
According to Salma et al. (2018) country of origin has an influence on brand image, brand image has an influence on purchase intention, but there is no direct effect between country of origin on consumer purchase intention. Given the differences in research results, this study was conducted to confirm whether brand image and country of origin affect or not on purchase intention.

II. LITERATURE REVIEW AND LITERATURE REVIEW

Permana (2013) states that country of origin has a positive and significant relationship to brand image supported by research by Yamen Kuoba (2008) and Diamantopoulos et al. (2011) who argue that country of origin has a positive and significant impact on brand image. This is in line with the research of Ahasanul et al. (2015) who found that country of origin had a positive and significant influence on brand image. The brand of a product can have a positive impact on the country's image, assuming that the brand image has a role in influencing the country's image in a product, which can be formulated as follows:

H1: Country of origin has a positive and significant effect on brand image.

Country of origin can have both positive and negative impacts on consumer purchase intentions. The country of origin image that is perceived positively can cause or arouse the desire or interest of consumers to buy a product, which will later end on the actual product purchase. Conversely, if the country of origin image is perceived negatively, it has the potential to reduce consumer interest in buying a product so that the possibility of a product to be a consumer's choice is reduced.

Mayastuti et al. (2014) said that country of origin had a positive and significant impact on purchase intention. Research conducted by Moksaoka and Rahyuda (2016) also said that the country of origin variable had a positive and significant effect on the purchase intention of potential consumers in Toyota brand cars in Denpasar City. The same thing is supported by research Yanthi and Jatra (2015), which states there is a positive influence between country of origin on consumer purchase intentions.

H2: Country of origin has a positive and significant effect on purchase intention.

Research by Bhakar et al. (2013), states that, brand image has a significant influence on purchase intention. This is also supported by the research of Semuel and Lianto (2014) which says that, there is a positive relationship between brand image and purchase intention. Similar results were also mentioned by the study of Yu et al. (2013) who also suggested that brand image had a positive impact on consumer purchase intentions. Research by Shah et al. (2012) said that brand image has a significant positive effect on interest in purchase intention. Brand image affects consumer-buying interest by 33.1 percent and the remaining 66.9 percent is influenced by other factors. Therefore it can be concluded that the better the brand image, the likelihood of consumers to buy will increase, and vice versa if the brand image is getting worse, it will appear less consumer purchase intention for a product.

H3: Brand image has a positive and significant effect on purchase intention.

Research conducted by Ahasanul et al. (2015), shows that country of origin’s influence on purchase intention is through brand image as a mediating variable. This study is in line with the research of Diamantopoulos et al. (2011), which argues that the country of origin image has an indirect effect on consumer purchase intentions, and in its effect is fully mediated by brand image. Research conducted by Bhakar et al. (2013) states that country of origin would not have a significant impact on purchase intention if the relationship occurs directly. But the difference occurs when the country of origin is applied together with the brand image of the purchase intention; the results of the study will be positive and significant.

H4: Brand image mediates the influence of country of origin positively and significantly on purchase intention.

III. METHODS

This research was conducted in Denpasar City because it is the capital of the Province of Bali and the largest economic center in the Province of Bali. In 2017 the density population of Denpasar City was 7,155 million people, followed by Badung Regency with 1,538 million people and Gianyar Regency with 1,369 million people. (www.bali.bps.go.id). The population density of Denpasar City is an opportunity for car manufacturers to market their products because the level of use of four-wheeled vehicles in Denpasar is very high. The object of this study is the role of brand image in mediating the influence of country of origin on the purchase intention of Honda brand cars in Denpasar.

The populations in this study are consumers who live in the city of Denpasar who do not yet have a Honda brand car but intend to buy it. In this study, samples taken with non-probability sampling techniques, namely sampling techniques that do not provide equal opportunity or opportunity for each element or member of the population to be selected as a sample. This study uses a path analysis technique.

IV. RESULTS AND DISCUSSION

Testing data in this study uses the path analysis technique (Path Analysis), where path analysis is an extension of multiple linear regression analysis to test the causality relationship between 2 or more variables. The basis for calculating path coefficients is correlation analysis and regression in calculations using software with the SPSS 20.0 program for windows.
Table 1. Path Analysis I

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>0.306</td>
<td>0.355</td>
<td>0.864</td>
</tr>
<tr>
<td></td>
<td>Country Of Origin</td>
<td>0.892</td>
<td>0.081</td>
<td>0.742</td>
</tr>
</tbody>
</table>

R1² : 0.551
F statistik: 120,228
Sig. F : 0.000

Primary Data, 2019

Table 2. Path Analysis II

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>0.439</td>
<td>0.250</td>
<td>1.758</td>
</tr>
<tr>
<td></td>
<td>Country Of Origin</td>
<td>0.289</td>
<td>0.085</td>
<td>0.262</td>
</tr>
<tr>
<td></td>
<td>Brand Image</td>
<td>0.596</td>
<td>0.071</td>
<td>0.649</td>
</tr>
</tbody>
</table>

R2² : 0.741
F statistik: 139,093
Sig. F : 0.000

Primary Data, 2019

Based on structure 1 and structure 2, the final path diagram model can be arranged. Before compiling the final path diagram model, first calculate the standard error value as follows.

\[ Pe_i = \sqrt{1 - R_i^2} \]

\[ Pe_1 = \sqrt{1 - 0.551^2} = \sqrt{0.449} = 0.670 \]

\[ Pe_2 = \sqrt{1 - 0.741^2} = \sqrt{0.259} = 0.508 \]

Based on the calculation of the effect of error (Pei), the result of the effect of error (Pe1) is 0.670 and the effect of error (Pe2) is 0.508. After analyzing e1 and e2, the calculation of the total determination coefficient is obtained as follows:

\[ R_m^2 = 1 - (Pe_1)^2 (Pe_2)^2 \]

\[ = 1 - (0.670)^2 (0.508)^2 \]

\[ = 1 - 0.448 \times 0.258 \]

\[ = 0.884 \]

A total determination value of 0.884 means that 88.4 percent of the purchase intention variable is influenced by the country of origin and brand image variables, the remaining 11.6 percent is explained by other factors outside the model formed.

The sobel test is an analytical tool to test the significance of the indirect relationship between the independent variable and the dependent variable mediated by the mediator variable. The Sobel test is formulated with the following equation and can be calculated using the Microsoft Excel 2007 application. If the Z calculation value is greater than 1.96 (with a 95 percent confidence level), the mediator variable is assessed to significantly mediate the relationship between the dependent variable and the independent variable.

The sobel test is calculated by the formula below:

\[ Z = \frac{ab}{\sqrt{a^2S_a + b^2S_b + c^2S_c}} \]

\[ \text{Sig} = (1 - \text{NORMDIST}(Z)) 2) \]

Keterangan:

\[ a = 0.892 \]

\[ S_a = 0.081 \]
Based on the sobel test results in Table 3 shows that the calculated Z value of 6.6975> 1.96 with a significance value of 0.0000 <0.05, which means brand image is a variable that mediates the effect of country of origin on purchase intention on Honda brand cars in the city of Denpasar or in other words the country of origin indirectly influences the purchase intention through the brand image.

The effect of country of origin on brand image

Based on the results of country of origin analysis of brand image obtained a significance value of 0.000 with a beta coefficient of 0.742 with a t value of 10.965. Significance value of 0.000 <0.05 indicates that H0 is rejected and H1 is accepted. The results in this study mean that the country of origin has a positive and significant effect on brand image, where consumers believe the country of origin of the Honda brand car is a developed and quality country in manufacturing. This shows the better country of origin image of Honda brand cars, it will enhance the brand image of the Honda brand itself.

The results of this study are in accordance with previous studies conducted by Wijaya and Sulistyawati (2018) who stated that country of origin has a positive and significant relationship to brand image. Research results from Arimbawa and Rahyuda (2015) are also supported by research conducted by Suastari and Rastini (2019) as well as Gunawan and Sukaatmaja (2018), which state that country of origin has a positive and significant impact on brand image.

The effect of country of origin on purchase intention

Based on the results of the analysis of country of origin on the purchase intention obtained a significance value of 0.001 with a beta coefficient of 0.262 with a t value of 3.399. Significance value of 0.001 <0.05 indicates that H0 is rejected and H2 is accepted. The results in this study mean that country of origin has a positive and significant effect on purchase intention, where consumers see Japan as a car publishing country as a developed country that has a good reputation, is innovative and is able to design cars well. This shows that the consumer's view of the country of origin image influences consumer purchase intention towards Honda brand car products in Denpasar City.

The results of this study are in accordance with research conducted by Wang and Yang (2008) which states that country of origin has a positive effect on purchase intention, the results of this study are also in line with research conducted by Yanthi and Jatra (2015) and Moksaoka and Rahyuda (2016) and Kusuma and Giantari (2018).

The effect of brand image on purchase intention

Based on the results of the brand image analysis of purchase intention obtained a significance value of 0.000 with a beta coefficient of 0.649 with a t value of 8.420. Significance value of 0.000 <0.05 indicates that H0 is rejected and H3 is accepted. This result means that brand image has a positive and significant effect on purchase intention, where Honda brand cars always follow the latest technological developments, products that innovate and have special characteristics. This shows that consumers' view of brand image influences consumer purchase intention towards Honda brand car products in Denpasar City.

The results of this study are consistent with research conducted by Windyastari and Sulistyawati (2018) stating that brand image has a significant influence on purchase intention, this is also supported by other studies conducted by Putra and Aksari (2018) and Ardana and Rastini (2018) who found that brand image had a positive and significant effect on purchase intention.

Brand image mediates the effect of country of origin on purchase intention

Based on the results of testing the fourth hypothesis (H4) the Z value of 6.6975 is obtained which is greater than the Z table value of 1.96. This shows that H4 can be accepted, so it can be interpreted that brand image is able to
mediate the influence of country of origin on purchase intention in other words country of origin indirectly influences purchase intention through brand image. The results of this study are not in accordance with research conducted by Diamantopoulos et al. (2011) which states that country of origin has an indirect effect on purchase intentions and in its effect is fully mediated by brand image. But the results of research conducted by Bhakar et al. (2013) suggested that country of origin and brand image are applied simultaneously to purchase intention, the results will be significantly positive.

V. CONCLUSION

Based on research that has been done it can be seen that theoretically, this research as a whole supports several theories that have existed before. This research is expected to contribute empirically about the relationship between country of origin, brand image and purchase intention variables for the development of marketing science. Data processing is performed by path analysis techniques to estimate the causality relationship between variables that have been predetermined based on theory. This study also uses the sobel test to test the strength of the indirect effect of the country of origin (X) variable on purchase intention (Y) through the brand image (M) variable. The results of this study are expected to be used to enrich references and knowledge related to country of origin, brand image and purchase intention variables.

The results of this study provide an implication for the Honda Company about how the importance of country of origin, brand image and purchase intention variables. The results of this study are expected to be used to enrich references and knowledge related to country of origin, brand image and purchase intention variables. Honda companies to improve the quality of their products so that potential consumers intend to buy a Honda brand car in the city of Denpasar.

The statement on the country of origin variable shows that respondents rated the country of origin of the Honda brand car as an innovative country in manufacturing because Japan is a developed country and has a quality workforce so that the respondent intends to buy a Honda brand car. In addition, the brand image variable shows that respondents believe that Honda brand cars prioritize user safety in each product and is a quality product so that it can distinguish Honda from other products. This shows that the brand image of the Honda brand car is one of the strong brands in the minds of consumers. In the purchase intention variable, respondents showed an attitude of having attention to Honda brand cars so that they were willing to find out prices and have the desire to immediately buy a Honda brand car. The results of the study in accordance with the statements in the questionnaire showed that the respondents’ assessment of the purchase intention of Honda brand cars in Denpasar was included in both categories.

REFERENCES


