

Analysis of The Influence of Automotive Brand Purchasing Intentions In Batam City

Kevin Tjoa¹, Suyono Saputra²

^{1,2}, Management, Batam International University, Indonesia

DOI: <https://doi.org/10.54099/ijibr.v3i2.860>

ARTICLE INFO

Research Paper

Article history:

Received: 22 January 2024

Revised: 15 May 2024

Accepted: 25 July 2024

Keywords: Purchase Intention, Brand Otomotif, Batam

ABSTRACT

Purpose – This research aims to identify the influence of brand trust attitudes, brand image, risk perception, word of mouth promotion, brand awareness, and brand trust on automotive brand purchase intentions.

Methodology/approach – This research aims to test hypotheses using quantitative research methods based on the philosophy of positivism. Data was collected from automotive brand buyers in Batam City using questionnaires as the main data collection tool, as well as literature studies to support relevant information.

Findings – Attitude does not significantly influence purchase intentions when purchasing automotive brands ($p\text{-value} > 0.05$), but plays an important role in increasing trust ($p\text{-value}=0.000$). Brand awareness and brand image have a significant positive impact on purchase intention ($p\text{-value}=0.000$), indicating that good brand recognition and image increase purchase intention. In contrast, perceived risk does not influence purchase intention. Even though trust has no effect, word of mouth has a significant positive impact on purchase intentions, indicating that brand reputation in society influences consumers' purchase intentions.

This work is licensed under a Creative Commons Attribution-Non Commercial 4.0 International License.

INTRODUCTION

The development of data and communication technology, especially the internet, has changed lifestyle, culture and social attitudes in various aspects of life. Changes in consumer attitudes are an interesting phenomenon to research and understand considering the boom in internet use in this generation. The internet makes things easier for consumers in various aspects, especially in online use which has become inseparable from everyday life (Regina & Anindita, 2022). Internet and social media trends have facilitated global cultural exchange, while Korea's influence as a beauty product leader in Asia has inspired Indonesian consumers to care for their skin. Beauty products, especially from Korea, are increasingly in demand by Indonesian women, as revealed by the results of the 2018 ZAP Beauty Index survey which shows that 46.6% of women really like Korean products (Pranindya et al., 2019).

Social media trends, especially in Indonesia where Instagram is the largest user in Asia and the Pacific, have great potential to influence people's views and lifestyles. Valid data from July 2017 shows that of the total 700 million active Instagram users, 45 million of them are active Indonesian users (Pranindya et al., 2019). Social media not only shares information in text form, but also involves visuals such as photos, sound and video, where this visual language has its own appeal in everyday communication.

In the context of the internet and social media, user activities and communication cannot be separated from data sharing, which creates Electronic Word of Mouth (e-WOM). The 2018 ZAP Beauty Index survey shows that e-WOM has a significant impact, where 46.6% of Indonesian women really like Korean products (Pranindya et al., 2019). The use of the internet to make it easier for consumers to share experiences and data about products or brands, known as e-WOM, functions as a source of information needed in the purchasing decision making process. Consumers tend to rely on e-WOM to hear about products or brands because they cannot directly experience them when shopping online.

Increased internet use and digital trends have changed marketing strategies from traditional to digital (Zhang et al., 2020). Sharing data via social media is important to ensure impact, and consumers tend to trust opinions and testimonials from fellow consumers more than advertising or promotional data from the industry. By easily and quickly disseminating data, opinions and testimonials via social media, consumers can make more informed and more reliable purchasing decisions, reducing the potential for mistakes or regrets in purchasing (Fadila et al., 2021). Therefore, the increasing use of the internet has brought about significant changes in the way consumers make purchasing decisions, with a focus on sharing information and experiences through social media.

Based on this background, researchers are interested in conducting research with the title "Analysis of the Influence of Automotive Brand Purchase Decisions in Batam City". The problem formulation in this research includes: 1) the influence of attitudes on trust in purchasing automotive brands; 2) the influence of brand image on purchase intentions when purchasing automotive brands; 3) the influence of perceived risk by brand trust on purchase intention to purchase automotive brands; 4) the influence of word of mouth on purchase intentions to purchase automotive brands; 5) the influence of brand awareness on purchase intention to purchase automotive brands; and 6) the influence of trust on purchase intentions to purchase automotive brands.

LITERATURE REVIEW

The Influence of Word of Mouth and Brand Image

According to (Majeed et al., 2021), brand image can be defined as the general opinion or perception that customers have about the brand as a whole, which allows them to assess the results or characteristics of products or services (Doosti et al., 2016). E-WOM serves as a reference point where users can share their opinions, information, and experiences about the brand, talk about the brand's quality, price, and features, and provide suggestions and recommendations, allowing customers to increase their understanding of the brand and its attributes (Yunus, 2016). A strong brand image can increase consumer confidence in the goods or services purchased and influence the way consumers see and understand the product (Tariq et al., 2017).

The Influence of Word of Mouth and Perceived Risk

Online reviews can greatly influence how someone radiates a product. A positive attitude towards a brand is based on an assessment of consumer preferences for that brand. The number of positive and negative reviews received about the brand can determine whether consumers like or dislike the brand (Kudeshia & Kumar, 2017). Evaluation of a person's values and beliefs shapes their attitudes. Receiving positive information from eWOM communications can influence attitudes, which can lead to alternative product recommendations that are most popular in eWOM discussions.

The Influence of Brand Image and Consumer Purchase Intentions

According to (Tariq et al., 2017), brand image is a collection of information, relationships, or beliefs that consumers store in their memories about a brand, which can describe the quality of the product and influence consumers' interest in recognizing it. A good brand image increases customer loyalty and encourages them to buy a product (Yunus, 2016). Consumers' perceptions of brand superiority are more positive, the stronger their purchase intentions and purchasing decisions. According to (Martín-Consuegra et al., 2018), brand image is an important indication of how customers perceive a brand; this can help them predict their purchasing behavior or make a decision whether or not to purchase a product.

The Influence of Brand Attitude and Consumer Purchase Intention

Brand attitude is defined as a consumer's overall assessment of a brand, or as a persistent preference or tendency to dislike it (Jung & Seock, 2016). Consumers are supported by information obtained from eWOM, which consists of other people's experiences with the brand, when they make a decision to purchase something, which makes them more aware of the brand when they make their decision. Consumers usually rely on the opinions and opinions of previous customers about the goods they buy. Attitudes of liking and disliking purchasing intentions may depend on how much positive and negative feedback consumers give about eWOM (Yunus, 2016). Consumer interest, purchase intention, and choice of brand are predicted by strong brand attitudes. A positive attitude towards a brand increases the likelihood of using that brand (Jung & Seock, 2016) influencing purchase intentions and the desire to pay more for the brand. If someone has a more positive attitude toward the desired behavior, their interest in taking action will increase.

The Influence of Word of Mouth and Consumer Purchase Intentions

Positive WOM is essential for creating a good brand reputation and increasing desire to purchase. Consumers need references to increase their confidence in making their purchasing decisions, and their knowledge of brands and products reduces the possibility of them making mistakes (Bataneh, 2015).

METHOD

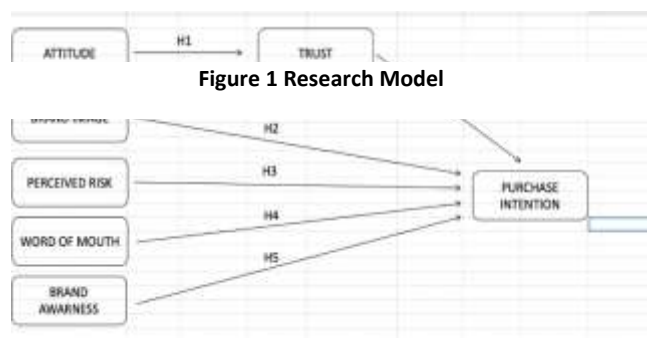
The purpose of this research is to test the hypothesis that has been established, using quantitative research methods based on the philosophy of positivism, collecting data using research tools, and analyzing the data quantitatively. a certain population or sample (Sugiyono, 2017). The population in this research is automotive brand buyers in the city of Batam. Data collection techniques are the most important step in research, because the main aim of research is to obtain data. The data collection techniques in this research are: 1) questionnaire, according to (Sugiyono, 2017), a questionnaire is a data collection technique that is carried out by giving a series of written statements to respondents to answer; and 2) literature study, a data collection technique by conducting a review study of books, literature, notes and reports that contain a summary of the problem being solved. The data taken by the author in this bibliographic method comes from journals related to the title researched by the author, literature books, and similar research. To analyze the information in this research, the information processing program or information application used was SPSS type 25. Meanwhile, the tests carried out included, 1) descriptive tests; 2) data quality test, the tests used are validity tests and reliability tests; 3) classical assumption test, the tests carried out are, multicollinearity test and heteroscedasticity test; and 4) hypothesis testing, in this research the hypothesis tests carried out were, R2 test and T test.

RESULT AND DISCUSSION

Result

Table 1 Number of Vehicles Owned by Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Kendaraan	324	62.7	62.7	62.7



2-3 Kendaraan	163	31.5	31.5	94.2
>3 Kendaraan	30	5.8	5.8	100.0
Total	517	100.0	100.0	

Source: Processed Data Researcher

Based on the table above, it is known that 324 respondents have 1 vehicle, 163 respondents have 2 to 3 vehicles, and there are 30 respondents who have more than 3 vehicles.

Table 2 Types of vehicles owned by respondents

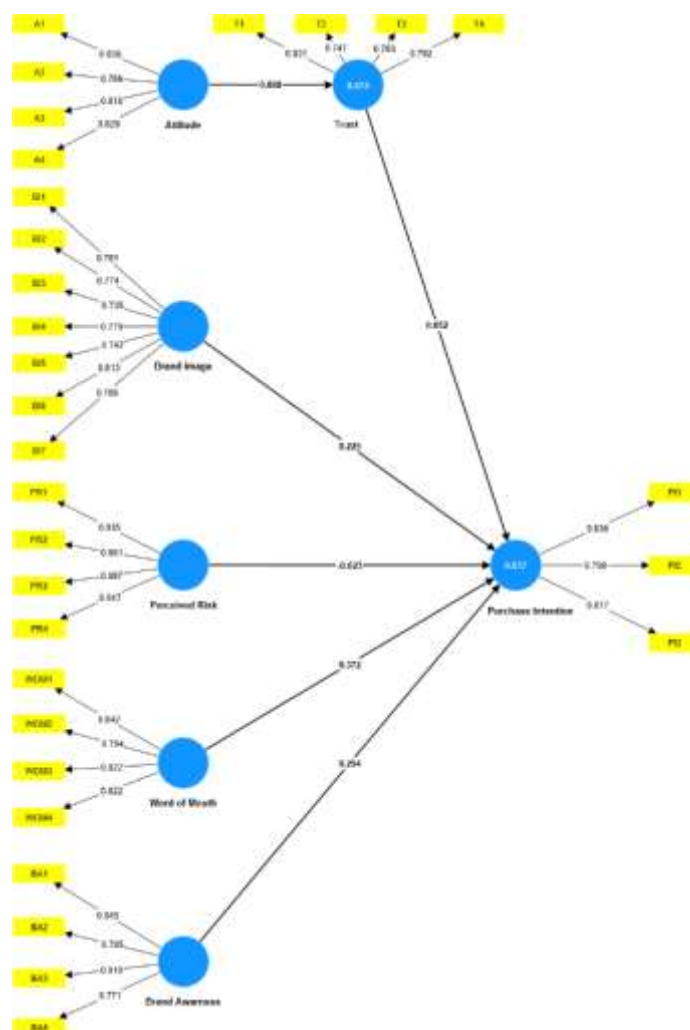
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Toyota	103	17.2	17.2	17.2
	Honda	156	26.0	26.0	43.2
	Daihatsu	37	6.2	6.2	49.4
	4.00	1	.2	.2	49.6
	Yamaha	117	19.5	19.5	69.1
	Wuling	48	8.0	8.0	77.1
	BMW	23	3.8	3.8	81.0
	Mitsubishi	50	8.3	8.3	89.3
	Nissan	2	.3	.3	89.6
	Suzuki	40	6.7	6.7	96.3
	Peugeot	19	3.2	3.2	99.5
	Lainnya	3	.5	.5	100.0
	Total	599	100.0	100.0	

Source: Processed Researcher Data

Based on known data, the largest type of vehicle is Honda with 26%, Yamaha with 19.5%, Toyota with 17.2%. Apart from that, there are also 8.3% of respondents who own Mitsubishi vehicles, 8% own Wuling, 6.7% own Suzuki, 6.2% own Daihatsu. Meanwhile, from the results of the outer loading test, it is known that the relationship between the attitude and trust variables shows a strong correlation, with an outer loading value of 0.688, indicating that the trust indicator is able to measure the attitude variable it measures. However, the relationship between brand image and purchase intention shows a lower outer loading value, only 0.225, indicating that the brand image indicator may not be as cunning as other indicators in predicting or measuring the purchase intention variable. Furthermore, there is an indicator of risk perception which has a low outer loading value of 0.023 on purchase intention, indicating a very weak relationship between the two. Meanwhile, the word of mouth and brand awareness variables show better outer loading values on purchase intentions, with values of 0.372 and 0.254 respectively. This indicates that word of mouth and brand awareness indicators have greater power in measuring or predicting purchase intention variables compared to risk perception indicators. With a low outer loading value on the relationship between trust and purchase intention of 0.052, these results indicate that the trust indicator may have a less significant impact in influencing or measuring the purchase intention variable directly. Overall, these findings illustrate that several indicators have a stronger relationship in measuring or predicting the purchase intention variable (purchase intention). This explanation can be seen in Figure 2.

From the results presented in Table 3, the high Average Variance Extracted (AVE) value indicates that the indicators used to measure the construct have a good ability to explain their own variance when compared to measurement error. Specifically, the variable "Perceived Risk" stands out with the highest AVE of 0.811, indicating that the indicators that measure perceived risk simultaneously have a strong ability to represent their own variance, indicating that the construct is measured well. Other variables such as "Attitude", "Brand Awareness", "Purchase Intention", "Word of Mouth", and "Trust" also show relatively high AVE values, ranging from 0.601 to 0.673. This illustrates that the indicators used to measure these variables effectively reflect the construct that is to be measured well. Although the "Brand Image" variable shows a slightly lower AVE value compared to the other variables, it is still above the 0.5 threshold which is often considered a good quality standard for indicators.

Figure 2 Outer Loading Test Results



This shows that the indicators used to measure brand image are still quite good, even though other variables are not effective in explaining their own variance. Overall, the results of the AVE values indicate that most of the construct variables have good capabilities in measuring the constructs analyzed, although further analysis needs to be carried out regarding reliability, convergent and divergent validity to provide a more comprehensive picture of the measurement quality and validity of the constructs involved.

Table 3 AVE Test Results

	Average variance extracted (AVE)
Attitude	0.660
Brand Awareness	0.649
Brand Image	0.601
Perceived Risk	0.811
Purchase Intention	0.668
Trust	0.613
Word of Mouth	0.673

Source: Processed Data Researcher

Cronbach's alpha levels that exceed 0.7 in almost all constructs indicate good or high reliability in measuring these variables. The Perceived Risk construct stands out with a very high Cronbach's alpha value, namely 0.927, indicating strong consistency in the measurement of this variable. Although the Cronbach's alpha value for the Purchase Intention construct is slightly lower, namely 0.751, it is still within the acceptable range, indicating a sufficient level of reliability. This can be seen in Table 4.

Table 4 Cronbach's Alpha Results

	Cronbach's alpha
Attitude	0.828
Brand Awareness	0.819
Brand Image	0.889
Perceived Risk	0.927
Purchase Intention	0.751
Trust	0.789
Word of Mouth	0.838

Source: Processed Data Researcher

A variable will be said to have an influence on other variables if the p value is > 0.05 . Based on the table below, it is known that the p value is greater than 0.05. So this means that this variable has no influence.

Table 5 Results of Indirect Effects

	Standard deviation (STDEV)	T statistics ($ O/STDEV $)	P values
Attitude -> Trust -> Purchase Intention	0,043	0,841	0,401

Source: Processed Data Researcher

Based on the test results below, it is known that the influence exerted by Purchase Intention on other independent variables is declared strong because the resulting R Square value is 0.637, which corresponds to the criteria of being greater than 0.5, therefore it is declared strong. Meanwhile, Trust has a moderate influence.

Table 6 R-Square Test

	R-square	R-square adjusted
Purchase Intention	0.637	0.633
Trust	0.474	0.473

Source: Processed Data Researcher

Attitude has no significant effect on purchase intention when purchasing automotive brands because the p-value is > 0.05 . However, attitude plays an important role in influencing trust in purchasing automotive brands, as evidenced by the p-value of 0.000. This means that the higher the buyer's attitude, the higher the consumer's trust in the company. In addition, brand awareness has a positive influence on purchase intentions when purchasing automotive brands, indicating that the higher a consumer's recognition of a brand or product, the higher the purchase intention of that product or brand. Brand image also has a significant positive influence on purchase intentions when purchasing automotive brands, with a p-value of 0.000. This means that the better the brand image, the higher the consumer's purchase intention. Meanwhile, perceived risk has no effect on purchase intentions for automotive brands, indicating that the level of perceived risk has no impact on consumers' purchase intentions for these automotive brands. Although trust does not influence purchasing intentions for automotive brands, word of mouth has a significant positive influence on purchasing intentions. In other words, the better the brand's word of mouth promotion in society, the higher the consumer's purchase intention towards that brand. This can be seen in Table 7.

Table 7 Hypothesis Testing

	T statistics (O/STDEV)	P values
Attitude -> Purchase Intention	0,841	0,401
Attitude -> Trust	22,537	0,000
Brand Awareness -> Purchase Intention	4,122	0,000
Brand Image -> Purchase Intention	4,257	0,000
Perceived Risk -> Purchase Intention	0,871	0,384
Trust -> Purchase Intention	0,846	0,397
Word of Mouth -> Purchase Intention	6,411	0,000

Source: Processed Data Researcher

Discussion

The hypotheses in this research investigate the relationship between various factors, such as attitude, brand image, risk perception, word of mouth, brand knowledge, and trust on consumer purchase intentions in the context of purchasing automotive brands. The first hypothesis (H1) states that attitude influences confidence in purchasing automotive brands, and the results of the H1 test show that attitude does have a significant influence on confidence when purchasing a car. This finding is in line with previous research conducted by (Purnamaningrum & Alversia, 2021) which found that attitudes influence consumer trust, and these findings also received support from the findings of (Ndari, n.d.). The second hypothesis (H2) tries to connect brand image with consumer purchase intentions when purchasing automotive brands. The H2 test shows that brand image does influence consumers' purchasing desires, and this finding is in line with the results of previous research by (Kristinawati & Keni, 2021) which found that brand image has a positive and significant impact on purchasing intentions. This finding also received support from research findings (Hendro & Keni, 2020).

However, the third hypothesis (H3) stating that risk perception influences consumer purchase intent was rejected in this study. Previous research by (Nyssa & Rahmidani, 2019) showed that risk perception did not have a significant impact on buyers' desire to buy goods at online stores JD.id DI Kota Padang, and this finding was also supported by research (Kusumawati & Tiarawati, 2022). The fourth hypothesis (H4) that links word of mouth with consumer purchase intention to automotive brand purchases is accepted in this study. This finding is in line with the results of other studies that found that e-WOM affects purchase desirability (Hendro & Keni, 2020), and these findings also received support from research (Kristinawati & Keni, 2021). The fifth hypothesis (H5) stating that brand knowledge influences consumer purchase intent is accepted in the H5 test. Previous research by (Fenetta & Keni, 2020) showed that brand knowledge influences purchase intent, and these findings are also supported by research (Hakim & Keni, 2020). The sixth hypothesis (H6) that belief influences consumer purchase intent was rejected in this study. Another study by (Wardani et al., 2022) found that trust does not exert a significant influence on consumers' intention to buy a particular brand of car, in line with the results of this study.

CONCLUSION

From the results of the study, it can be concluded that attitude has a positive effect on trust in purchasing automotive brands, along with a significant p-value result of 0.000. Brand image also plays an important role, with a p-value of 0.000 indicating that a good brand image drives purchase desire.

The risk seen was not shown to affect purchase intent, as indicated by a p-value of 0.384. Furthermore, word of mouth (WOM) has a positive impact on purchase desirability, as evidenced by a p-value of 0.000. Brand knowledge also influences purchase intent with a p-value of 0.000. However, the hypothesis that trusts affect purchase intention is rejected because the p-value is 0.397. Therefore, the level of consumer confidence does not significantly affect purchase intent. In future research, it is recommended to expand the research sample throughout Indonesia to get a more representative picture. In addition, future research may explore more factors influencing purchase intention to gain a more holistic understanding.

REFERENCES

- Bataineh, A. Q. (2015). The Impact of Perceived e-WOM on Purchase Intention: The Mediating Role of Corporate Image. *International Journal of Marketing Studies*, 7(1). <https://doi.org/10.5539/ijms.v7n1p126>
- Doosti, S., Jalilvand, M. R., Asadi, A., Khazaei Pool, J., & Mehrani Adl, P. (2016). Analyzing the influence of electronic word of mouth on visit intention: the mediating role of tourists' attitude and city image. *International Journal of Tourism Cities*, 2(2), 137–148. <https://doi.org/10.1108/IJTC-12-2015-0031>
- Fadila, D., Wahab, Z., Isnurhadi, & Widiyanti, M. (2021). The Effect of Brand Image, Brand Ambassador, and Product Quality on the Purchase Decision of Mustika Ratu Products (Study on Sriwijaya University Students). *International Journal of Social Sciences*, 4(1), 182–189.
- Fenetta, A., & Keni, K. (2020). Pengaruh Brand Awareness dan Perceived Quality Terhadap Purchase Intention: Brand Loyalty Sebagai Variabel Mediasi. *Jurnal Manajemen Bisnis Dan Kewirausahaan*, 4(6), 270. <https://doi.org/10.24912/jmbk.v4i6.9792>
- Hakim, L. L., & Keni, K. (2020). Pengaruh Brand Awareness, Brand Image dan Customer Perceived Value Terhadap Purchase Intention. *Jurnal Manajemen Bisnis Dan Kewirausahaan*, 4(3), 81. <https://doi.org/10.24912/jmbk.v4i3.7921>
- Hendro, H., & Keni, K. (2020). eWOM dan Trust sebagai Prediktor terhadap Purchase Intention: Brand Image sebagai Variabel Mediasi. *Jurnal Komunikasi*, 12(2), 298. <https://doi.org/10.24912/jk.v12i2.7760>
- Jung, N. Y., & Seock, Y. K. (2016). The impact of corporate reputation on brand attitude and purchase intention. *Fashion and Textiles*, 3(1). <https://doi.org/10.1186/s40691-016-0072-y>
- Kristinawati, A., & Keni, K. (2021). Pengaruh Brand Image, Perceived Quality, dan eWOM terhadap Purchase Intention Mobil di Jakarta. *Jurnal Manajemen Bisnis Dan Kewirausahaan*, 5(5), 524. <https://doi.org/10.24912/jmbk.v5i5.13305>
- Kudeshia, C., & Kumar, A. (2017). Social eWOM: does it affect the brand attitude and purchase intention of brands? *Management Research Review*, 40(3), 310–330. <https://doi.org/10.1108/MRR-07-2015-0161>
- Kusumawati, A., & Tiarawati, M. (2022). PENGARUH GREEN PERCEIVED RISK DAN GREEN PACKAGING TERHADAP GREEN PURCHASE INTENTION PADA PRODUK SKINCARE AVOSKIN: STUDI PADA KONSUMEN TERHADAP NIAT BELI PRODUK AVOSKIN. *SIBATIK JOURNAL: Jurnal Ilmiah Bidang Sosial, Ekonomi, Budaya, Teknologi, Dan Pendidikan*, 1(10).
- Majeed, M., Owusu-Ansah, M., & Ashmond, A.-A. (2021). The influence of social media on purchase intention: The mediating role of brand equity. *Cogent Business & Management*, 8(1). <https://doi.org/10.1080/23311975.2021.1944008>
- Martín-Consuegra, D., Faraoni, M., Díaz, E., & Ranfagni, S. (2018). Exploring relationships among brand credibility, purchase intention and social media for fashion brands: A conditional mediation model. *Journal of Global Fashion Marketing*, 9(3), 237–251. <https://doi.org/10.1080/20932685.2018.1461020>
- Ndari, R. W. (n.d.). *Pengaruh Brand Image dan Brand Trust Terhadap Brand Attitude Pada Merek Produk Make Over di Surakarta*. Universitas Muhammadiyah Surakarta.

- Nyssa, N., & Rahmidani, R. (2019). PENGARUH PERCEIVED TRUSTWORTHINESS, PERCEIVED RISK DAN PERCEIVED EASE OF USE TERHADAP MINAT BELI KONSUMEN PADA TOKO ONLINE JD.ID DI KOTA PADANG. *Jurnal Ecogen*, 2(3), 249. <https://doi.org/10.24036/jmpe.v2i3.7331>
- Pranindya, C. D., Wibawa, B. M., & Gunawan, J. (2019). Analisa Perilaku dan Loyalitas Pelanggan ZAP Clinic. *Jurnal Sains Dan Seni ITS*, 8(1).
- Purnamaningrum, L. C. G., & Alversia, Y. (2021). Analisis Pengaruh Cues Terhadap Trust, Attitude, dan Online Shopping Intention di Instagram. *Jurnal Manajemen Dan Usahawan Indonesia*, 44(2).
- Regina, R., & Anindita, R. (2022). The Influence of Attractiveness, Credibility and Brand Attitudes towards Consumer Buying Intentions on Skincare Products. *Target : Jurnal Manajemen Bisnis*, 4(1), 11–20. <https://doi.org/10.30812/target.v4i1.1903>
- Sugiyono. (2017). *Metode Penelitian Kuantitatif Kualitatif Dan R&D*. Alfabeta.
- Tariq, M., Abbas, T., Abrar, M., & Iqbal, A. (2017). EWOM and brand awareness impact on consumer purchase intention: mediating role of brand image. *Pakistan Administrative Review*, 1(1).
- Wardani, R., Oktavia, F., Ali, S. A., & Suhud, U. (2022). Analisis Pengaruh Trust, Price, Brand Image, Service Quality, dan Customer Satisfaction terhadap Purchase Intention Pelanggan Kedai Minuman Boba. *Communications*, 4(1).
- Yunus, E. (2016). *Manajemen Strategis*. Andi Offset.
- Zhang, L., Cude, B. J., & Zhao, H. (2020). Determinants of Chinese consumers' purchase intentions for luxury goods. *International Journal of Market Research*, 62(3), 369–385. <https://doi.org/10.1177/1470785319853674>