

ANALYSIS OF CORPORATE IMAGE AND PURCHASE INTENTION FACTORS

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ABSTRACT

Consumer purchase intention is a concern for a company because it is an indication of the sustainability of a company. Increasing these variables is through increasing the supporting factors (perceived quality, perceived value, and perceived risk variables) as well as corporate image. Through this research, the support of purchase intention factors can be partially seen on corporate image, and purchase intention; the support of corporate image on purchase intention. The study used 145 samples consisting of randomly selected customers and distributors in the City of Padang. The measuring instrument is a questionnaire with a Likert scale. The result of data analysis by SEM (lisrel 8.8 program) indicates that perceived quality and perceived risk variables give a partial support to corporate image, but perceived value does not affect corporate image. In addition, purchase intention and corporate image factors give a partial support to the purchase intention. There are 3 paths, the dominant path is the path of perceived risk - corporate image - purchase intention.

Key Words : Perceived Quality, Perceived Value, Perceived Risk, Corporate Image, purchase intention

INTRODUCTION

Today many companies strive to grow and increase profits by creating competitive advantage. This is carried out in the hope of increasing the purchase intention of consumers. According to Choi (2013) companies can increase purchase intention through corporate image by among other things carrying out the activities involving consumers through both communication and real actions. Corporate Image is something that is important for the future of the company. This is because the benefits can be enjoyed by the company when experiencing the heyday as well as at critical moments. Siswanto (2004) suggests that the benefits of a good and strong corporate image are for: giving solid medium and long-term sustainable competitive position; become an insurance for adverse times; attracting the best executives available; increasing the effectiveness of marketing instruments; operational cost savings.

In addition, purchase intention factors include perceived product, perceived value, and perceived risk. According to Patrick (2004), perceived value and perceived quality are closely related to purchase intention. Perceived value can be the company's plan for what will be offered to consumers (Cravens and Piercy, 2006). Whereas, perceived value can bring profit because the values that are felt to be bad can eliminate customers' purchase intention (Sweeney & Soutar, 2001). Conversely, if consumers give a high value to a product, consumers will have a high intention to buy the product again (Chen & Chang, 2012). Meanwhile, perceived risk is a characteristic and amount of risk that consumers expect from certain buying behavior.

The result of this research shows that there are different relations or supports between the variables of this research, among others, research results of Rizwan (2014) and Tsiotsou (2015) found that perceived value memberikan dukungan on purchase intention. Loh (2011), found that perceived risk is seen as a control behavior affecting trust and also directly influences purchase intention. Primatondano (2015), stated that corporate image gives a good support to consumer Purchase Intentions. But several researches that have been conducted found different results, including the results of Kwok & Wong's study (2015), found that perceived risk does not generate, even eliminate customer purchase intention customer purchase intention. Rizka and Prihatini (2018), explained that perceived value and perceived risk partially do not affect purchase intention.

Therefore, it is necessary to conduct analytic researches on corporate image and consumer purchase intention factors with the aim of knowing the supports between the variables observed in this research for increasing consumer purchase intention.

LITERATURE REVIEW

Perceived Quality is customer assessment of the physical appearance and benefit of the products and services offered by the companies to customers (Krisno & Samuel, 2013, dan Sari, 2006). The dimensions of perceived quality are divided into seven, namely: performance, service, resilience, reliability, product characteristics, conformity with specifications, results.

A product will give a value (perceived risk) to consumers if the benefits of the product are equivalent even greater than the cost incurred by the consumer to obtain the item (Kotler & Keller, 2009). There are four values that consumers will enjoy, including low prices, the pride of buying them, the quality of the goods equivalent to their price, and the benefits of goods that meet what consumers' need (Zeithalm, Bitner, & Gremler, 2012).

If a consumer buys a product, he or she will experience an uncertain condition (perceived risk) as a consequence of the decision he or she has made to buy the product (Rizwan, 2014, Schiffman and Kanuk, 2007). Perceived risks indicate consumer uncertainty about the results of individual purchases, usage, or disposal behavior (Hoyer & Macinnis, 2010).

A purchase Intention will change to a purchasing activity right away or later when the consumer finds a product that meets the criteria he wants (Schiffman & Kanuk, 2007, Febryan, 2010). This is important to marketing executives as buying interest often does not appear in the mind which sometimes becomes the reason for customers not to buy goods or services that have often been purchased.

According to Siswanto (2004), he said that the company's image is as follows: "Public perception of company identity." The benefits of Corporate Image (Anggoro, 2000) are: Good relationships with community leaders; Positive relationship with the local government; Smaller risk of crisis; A sense of pride in the organization and among the target audience; Mutual understanding between the target audience, both internal and external; Increasing employee loyalty and being able to attract other employees; Able to attract the attention of corporate investors; Increase income through customer satisfaction and consumer loyalty; Reducing company operating costs; Increase the effectiveness of marketing strategies.

Based on the discussion above, a research model and seven hypotheses to be tested in this research are determined. See Figure 1.

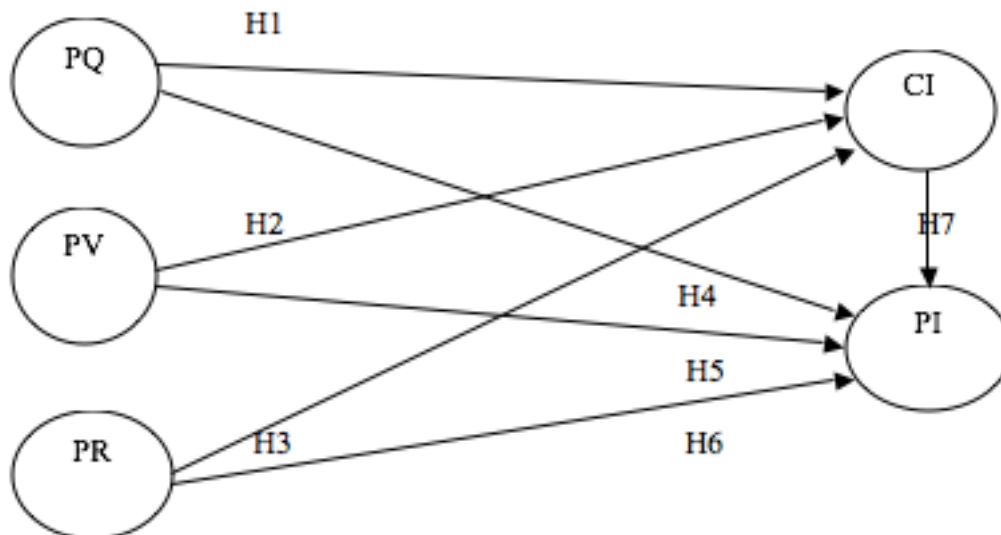


Figure 1. The Research Model and Seven Hypotheses

RESEARCH METHODS

Distributors and consumers who directly use cement products in Padang is a population of this study. Sampling will be carried out using random sampling technique. The number of samples will be 100 – 200 responden (Hair et al., 2013).

The primary data used in this research was respondents' perception. The observed data are in the form of two types of variables, namely the independent variable (perceived quality, perceived value, and perceived risk variables) and non-independent variables (corporate image and purchase intention variables).

The measuring instrument of this study is a questionnaire consisting of statements with closed-end answers based on Likert Scale including 1 that means strongly disagree, 2 that means disagree, 3 that means neutral/doubtful, 4 that means agree, and 5 that means strongly agree. The average value of the respondents' answers will indicate the level of the respondents' understanding of

the variables of the research. $RS = \frac{m-n}{k}$, $RS = \frac{5-1}{5} = 0,80$. Description: RS means interval, m means the highest value, n = the lowest value, k = Number of Categories. Thus, the category of the respondents' level of understanding can be made as follows: average values from 1.00 to 1.80 shall be categorized as very low, 1.81 - 2.60 shall be low, 2.61 - 3.40 shall be moderate, 3.41 - 4.20 shall be high, and 4.21 – 5.00 shall be very high.

Before the data is analyzed, validity and reliability tests must be made. The item is said to be valid if it has r-count value of $> r$ table or has p-value < 0.05 . The reliability measurement to the research instruments is based on a Cronbach Alpha coefficient > 0.5 (Ferdinand, A, 2005). Then, the data was analyzed descriptively in the form of respondents' characteristics data and respondents' level of understanding of the observed variables. In addition, an inferential analysis was also conducted through structural equation models (SEM) with the Lisrel 8.80 program to determine whether the hypothesis is rejected or accepted. If t count $> t$ table then the hypothesis is accepted, and vice versa. There is also a Goodness of Fit Index (GFI) test, which aims to find out whether the empirical model being tested is according to its theoretical model.

RESULTS AND DISCUSSION

There are 5 variables and 30 indicators used in this study. All indicators are valid ($p < 0.05$), consisting of 6 indicators of perceived quality, 7 indicators of perceived value, 6 indicators of perceived risk, 5 indicators of corporate image, and 6 valid purchase intention indicators. Meanwhile all variables are reliable, because the variable has the value of Cronbach Alpha > 0.50 .

Respondents' assessment of the level of implementation of the 5 research variables is high because the means of assessment are between 3.41-4.20. Respondents' assessment about perceived quality is high (4.00), perceived value is high (3.97), perceived risk is high (3.95), corporate image is high (3.94), and purchase intention is high (3.98).

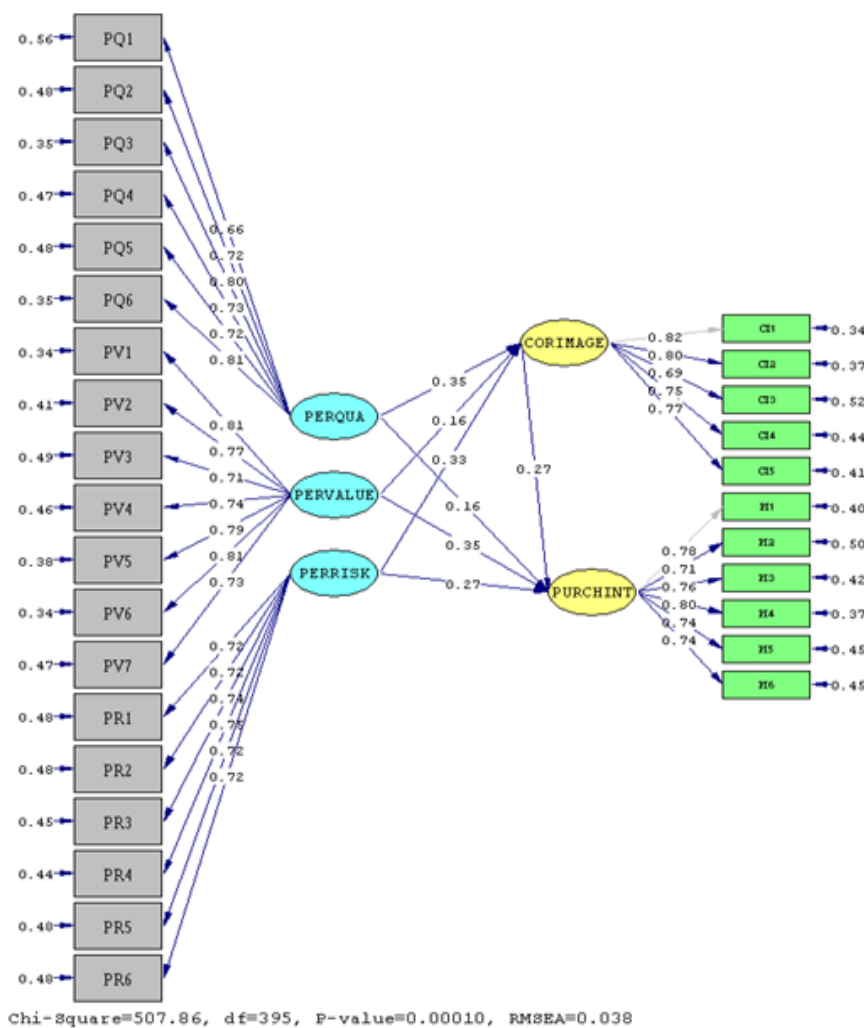


Figure 2: Research Model

Table 1: Structural Equations

No.	Structural Equations	Description
1.	$CORIMAGE = 0.35*PERQUA + 0.16*PERVALUE + 0.33*PERRISK$	$R^2 = 0.59$
2.	$PURCHINT = 0.16*PERQUA + 0.35*PERVALUE + 0.27*PERRISK + 0.27*CORIMAGE$	$R^2 = 0.88$

Source: data processing results

The results of the SEM analysis obtained a research model (see Figure 2) which is described in 2 equations (see Table 1). Equation 1, perceived quality (PERQUA), perceived value (PERVALUE), and perceived risk (PERRISK) variables can explain the purchase intention variable as big as 59% ($R^2 = 0.59$). While the variables other than those three variables are able to give support to the purchase intention variable by 41% ($R^2 = 0.41$). Equation 2, perceived quality (PERQUA), perceived value (PERVALUE), perceived risk (PERRISK), and corporate image (CORIMAGE) variables are able to explain the purchase intention variable by 88% ($R^2 = 0.88$). While variables other than those four variables are able to give support to the purchase intention variable by 12% ($R^2 = 0.12$).

There is a match of the model produced because the result of goodness of fit (GoF) test gives information that AIC Model, CAIC Model, PNFI, RFI, RMR, AGFI, and PGFI values are 647.86, 948.74, 0.88, 0.97, 0.033, 0.83, 0.73 respectively. The measurement reached the best condition, based on the standard measurement on GoF test.

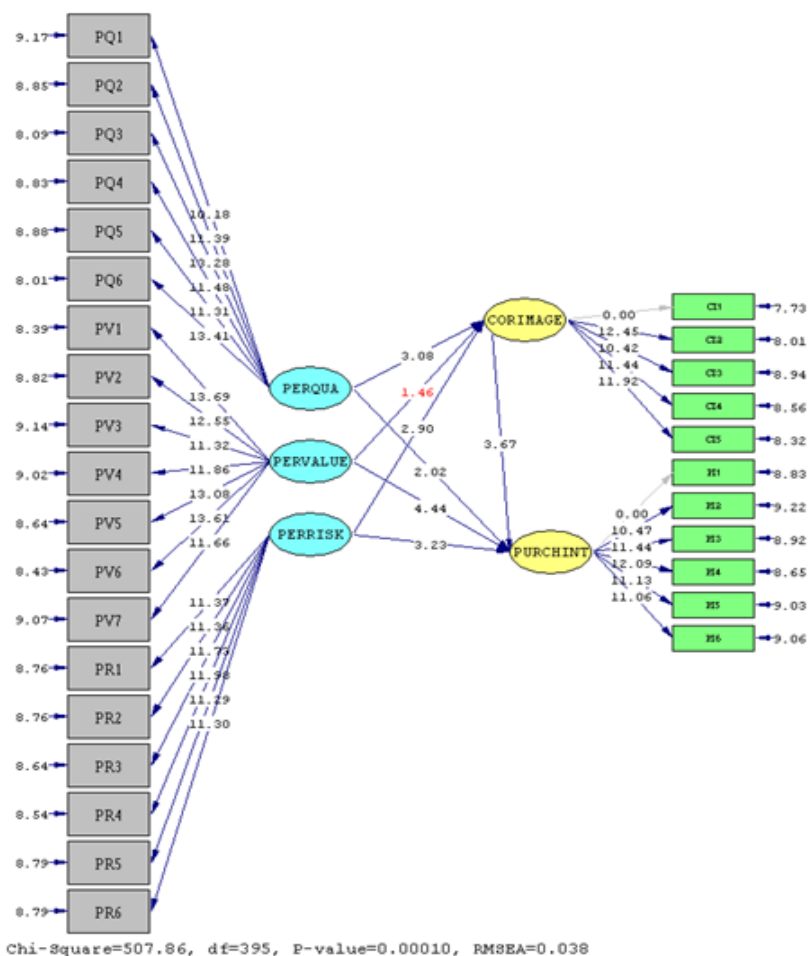


Figure 3. T Test

Figure 3 (T Tes), that determines H_1 is not rejected or accepted, because $t_{count} = 3.08 > t_{table} = 1.96$. This fact explains that there is perceived quality that can give support to corporate image. This is in accordance with the research results of Noviasari, et al (2013) that there is an influence of perceived quality on corporate image.

H_2 is rejected, because $t_{count} = 1.46 < t_{table} = 1.96$, meaning that perceived value is able to give contribution to corporate image. The diversity of perceived value and corporate image variable values can explain the relationship between these two variables.

Perceived risk has an influence on corporate image, because H_3 is not rejected atau accepted ($t_{count} = 2.90 > t_{table} = 1.96$). The diversity of perceived risk and corporate image variable values can explain the relationship between these two variables.

H_4 is not rejected or accepted ($t_{count} = 2.02 > t_{table} = 1.96$), so that we can say that the perceived quality is able to have an influence on purchase intention. The values on the indicators of perceived quality and purchase intention variable can explain the relationship between these two variables. The results of the research of Saleem, Ghafar, Ibrahim, Yousuf, & Ahmed (2015), explained that there is an influence of perceived quality on purchase intention.

H_5 is accepted, because $t_{count} = 4.44 > t_{table} = 1.96$, so that we can say that perceived value is able to support the increase in purchase intention. The diversity of these two variables values can explain the support for perceived value on purchase intention.

These findings are consistent with the findings of Pratama (2014) that perceived value can accelerate the increase in purchase intention.

Perceived risk is a very important factor on purchase intention, because H_6 is not rejected or accepted ($t_{count} = 3.23 > t_{table} = 1.96$). This fact is supported by the results of a study by Vijayasathy & Jones (2000), Pratama, (2014) which found that perceived risk is an important factor influencing purchase intention.

Corporate image plays a role in increasing the purchase intention. These findings are based on the fact that H_7 is accepted ($t_{count} = 3.67 > t_{table} = 1.96$). This fact is consistent with Choi (2013) and Jing Li et al (2013) which state that corporate image can increase consumer buying intentions contributing to sales promotion.

Table 2. The Value of the Influence of Path on Research Model

No.	Pathway	Intervening Variable	Direct	Indirect	Total
1.	PERQUA → PURCHINT	CORIMAGE	0.16	0.35 * 0.27	0.25
2.	PERVALUE → PURCHINT	CORIMAGE	0.35	-	0.35
3.	PERRISK → PURCHINT	CORIMAGE	0.27	0.33 * 0.27	0.36

Source: data processing results

From Table 2, information is obtained that there are 3 pathways, namely PERQUA – CORIMAGE – PURCHINT, PERVALUE – CORIMAGE – PURCHINT, and PERRISK – CORIMAGE – PURCHINT. The dominant pathway is the PERRISK - CORIMAGE - PURCHINT pathway, because it has the largest total pathway of 0.36.

The implication of this study is that consumer purchasing power can still be optimally improved. The effective activity for this improvement is if the company prioritizes the implementation of company image activities by paying more attention to the impact of risks or uncertainties faced by consumers when there is a buyer decision.

CONCLUSION

There is an influence between perceived quality and perceived risk partially on the corporate image. But there is no influence between perceived values on corporate image. Then there is an influence between perceived quality, perceived value, perceived risk, and corporate image partially on the purchase intention.

Consumer purchasing power of PT Semen Padang products can still be optimally improved if the company pays more attention to the implementation of company image activities that have the impact of risks or uncertainties faced by consumers when consumers want to make a purchasing decision.

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