
THE INFLUENCE OF BRAND IMAGE, PRICE, AND PRODUCT REVIEW ON PRODUCT PURCHASE INTEREST IN LAZADA (Case Study on Lazada Users in Indonesia)

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ABSTRACT

This study aims to determine the effect of brand image, price, and product reviews on product repurchase intention in Lazada Indonesia. The population in this study are consumers who use Lazada Indonesia's e-commerce services and who have made transaction purchases at least once. This study used a sample of 109 respondents. The sampling technique used was purposive sampling with the following criteria: (1) lazada Indonesian e-commerce service users are at least 17 years old, and (2) have made at least one purchase at di lazada.co.id. The data analysis technique uses the Multiple Linear Regression analysis method with IBM Statistic 22 software.

The results of this study indicate that brand image has a positive and significant effect on repurchase intention. In contrast, the price variable has a positive and insignificant effect on repurchase intention. Moreover, product review variables have a negative and insignificant effect on repurchase intention.

Keywords: brand image, price, product review (E-WOM), repurchase intention.

INTRODUCTION

The development of information technology in Indonesia has proliferated. To prove this technological development requires data on the growth of the number of internet users in Indonesia. In 2020 internet users in Indonesia reached 196 million users, an increase of 8.9% from the previous year, or around 25 million users. (apjii.or.id). The rapid development of internet users is also inseparable from the role of the government in providing freedom of internet access to its citizens.

This freedom makes Indonesian people more creative in using it. One form of creativity is the creation of a new startup in the field of sales services or commonly referred to as e-commerce. E-commerce is a digital company engaged in sales transactions, which helps bridge between sellers and buyers in conducting online buying and selling transactions

through the internet network. However, it classifies as an industry founded in the early 20th century (sirclo.com).

The e-commerce industry is one of the industries that have good growth potential. Apart from being supported by high data on e-commerce users and a high number of internet users, the public's response to this industry is quite positive. Because of its excellent potential, the e-commerce industry has become quite popular with other businesses. Can be proven by the number of businesspeople who enter the e-commerce industry in Indonesia. Quoted from the iprice.com page, the number of E-commerce in Indonesia there are around 44 e-commerce companies in the second quarter of 2020, starting at number 1 occupied by shopee, then Tokopedia in second, until at number 44 occupied by the Muslim market. (source iprice.com).

In the fourth quarter of 2018, there were 49 e-commerce companies, starting from Tokopedia in the first place to Mamaway, which was number 49. This decline was not without reason. The tight competition and the lack of strategy to compete could be why many e-commerce is closed. One of the competitive strategies in winning the competition is using a brand image, making competitive prices, and having product reviews (word of mouth) from consumers who have bought the product.

With the support of research data conducted by the Katadata Insight Center (KIC) with Pop Cash on 13-17 October 2020 for 6,697 respondents through an online survey (Pusparisa, 2020a).



Figure 1. Facts about KIC Research with Pop Cash
Source: databoks.katadata.co.id

In this study, price is the main reason for making online purchases, while product ratings/reviews rank fourth, and brand image or e-commerce reputation ranks seventh.

In this study, the authors are interested in researching e-commerce Lazada.co.id. In addition, the author is interested in researching the Lazada e-commerce platform. Because

amid this competitive competition, Lazada, as one of the largest e-commerce in Southeast Asia, can maintain its ranking in the fourth position. as the most visited e-commerce of all e-commerce. -trade in Indonesia. Indonesia from May 2019 to June 2020 (Pusparisa, 2020b).

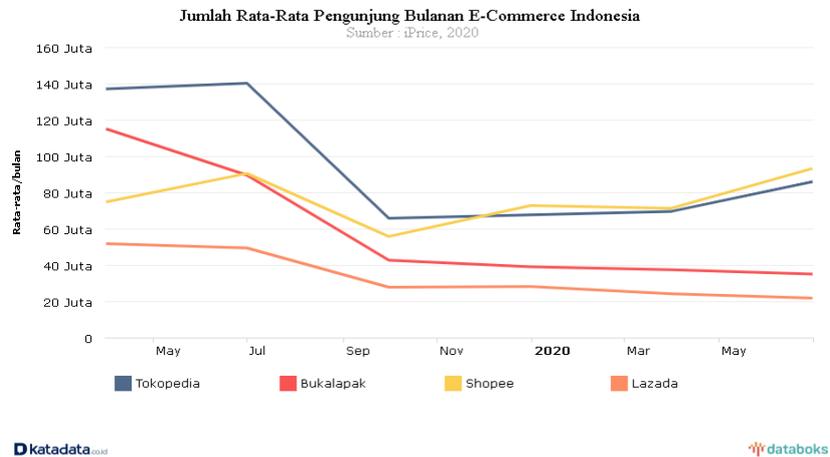


Figure 2 Position of Lazada as the Most Visited E-Commerce
 Sumber : Iprice.co.id

In addition, the author is interested in researching because Lazada.co.id has carried out many competitive strategies. One of them is winning the competition by using brand ambassadors from various artists in Asian countries, such as Lee Min Ho from South Korea, Agnes Monica from Indonesia, Ayda Jebat from Malaysia, and many more. Lazada hopes to improve its brand image by cooperating with various well-known artists.

Brand image is "to store in the minds or memories of consumers about a collection of brand associations" (Schiffman & Kanuk, 2007). Creating a brand image can occur because of personal experience or hearing about its reputation from other people or the media (Aaker and Biel, 1993). Top brand-award.com data (the most famous brand licensing agency in Indonesia) supports the fact that Lazada has managed to rank first as the top brand index (TBI) for the retail category as an online buying and selling site from 2018 to 2020, beating shopee and tokopedia (topbrand-award.com).

Table 1 Top Brand Index (TBI) Lazada as the No. 1 Online Buying Site

No	Category	Year	Rating	TBI
1.	Retail Online buying and selling sites	2018	1	31,8%
2.	Retail Online buying and selling sites	2019	1	31,6%
3.	Retail Online buying and selling sites	2020	1	31,9%

Source: Topbrand-award.com

According to topbrand-award.com, Lazada is the top (most famous) e-commerce site among other e-commerce sites. Based on the topbrand-award.com survey assessment

submitted to each respondent and related to the position of the brand in the minds of respondents (top of mind), the last use of the brand (last usage), and the desire to repurchase in the future (future intention). From a survey conducted on more than 15,000 respondents involving 15 major cities in Indonesia, Lazada is ranked 1st in a row from 2018-to 2020.

In addition, Lazada also hopes to win the competition using promotional strategies such as the national shopping day with various price offer competitions. Other promotional strategies used by Lazada on the Lazada.co.id website include vouchers, flash sales, special offers from partners, discounts, trade shows, sales, and discounts (cashback). (Reza, 2020).

However, despite using various competitive strategies described above and becoming the top brand index from 2018 to 2020, Lazada is still unable to shift shopee and tokopedia as the most visited e-commerce platforms, as depicted in figure 1.1. The number of people visiting an e-commerce website can indicate that in e-commerce, there have been repeated purchases by consumers.

This study aimed to determine the effect of Brand Image, Price, and Product Reviews on product repurchase intention at Lazada Indonesia.

LITERATURE REVIEW

Brand Image

In the minds of consumers, brand image is an opinion about a brand, where the opinion makes it easier for consumers to recognize and distinguish a brand. Brand image is a consumer's opinion about a brand reflecting the association formed in consumer memory (Kotler & Keller, 2016). Brand image is one of the variables that help a product remain trusted and chosen by consumers. Consumers will trust a product with a preferred or well-known brand (Schiffman & Kanuk, 2007).

Price

Price is the marketing mix component that generates revenue, while the other components generate expenses. Price is the number of money consumers must pay to obtain benefits or ownership of a product or service (Kotler & Armstrong, 2016).

Product Reviews

A product review assesses a product that consumers have used after purchasing and conveying it to others to provide information about the advantages or disadvantages of the product they bought. The post-purchase product evaluation stage is the consumer buying decision process. Product reviews also have the exact definition of online customer reviews. Online customer review (online consumer reviews) is an opinion that arises from the consumer's experience of feeling a service or product. Online media (Valant, 2015) convey this opinion. Mo et al., (2015) found online customer reviews on websites where many retailers can help meet consumer needs and bring them together with producers. Consumer reviews can be one of the considerations for consumers in determining the quality of products or services that suit their needs.

Repurchase Interest

The repurchase decision is a repurchase activity carried out by consumers of a product with the same brand without being followed by meaningful feelings (Hawkins, 2019). The repurchase decision is one of the consumer purchasing decisions influenced by consumer psychological factors (Jain & Weiten, 2020). Fazal-e-Hasan et al., (2019) shows that repurchase interest underlies the extent to which consumers are interested in repurchasing a product or service quickly and objectively. Hopefully, they can observe their buying behavior. Therefore hopefully, we can observe their buying behavior.

From some of the experts' opinions above, we can conclude that repurchase interest is the tendency of consumers to buy a product repeatedly within a specific time based on experience.

Hypothesis

- H.1 Brand image partial and significant positive effect on product repurchase interest in e-commerce Lazada
- H.2 Price has a partial and significant positive effect on product repurchase interest in e-commerce Lazada
- H.3 Product reviews partially and significantly positive effect on product repurchase interest in Lazada e-commerce
- H.4 Brand image, price, and product reviews have a simultaneous and significant positive effect on product repurchase interest in Lazada e-commerce

Framework

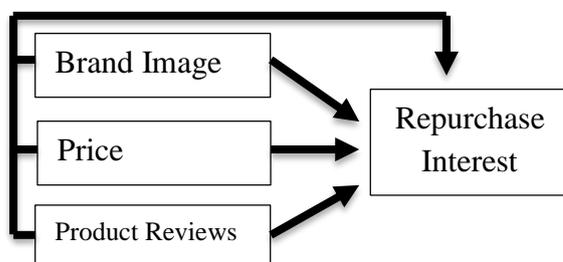


Figure 3 Thinking Framework

METHOD

This research is quantitative research with an associative approach. The population used is Lazada Indonesia's e-commerce users who have made a purchase transaction at least once, while the sampling technique uses purposive sampling with the following criteria: 1) Minimum age 17 years, 2) Lazada application users who have purchased at least one time.

Collect the required data through a questionnaire. Respondents were asked to answer the statements with 5 Likert scale model assessment scores, namely 5 = strongly agree, 4 = agree, 3 = neutral, 2 = disagree, 1 = strongly disagree.

In this study, the observed variables consisted of three independent and one dependent variable. The independent variables were a brand image, price, and product reviews. At the same time, the dependent variable is the intention to repurchase. Here is the explanation:

Tabel 2. Variable Operation

Variable	Indicator	Source
Brand Image	1. Quality	- Firmansyah & Fatihudin (2019)
	2. Can be trusted	
	3. Utility	
	4. Service	
	5. Risk	
	6. Company image	
	7. User image	
Price	1. Affordable prices	- Kotler & Amstrong (2016)
	2. Price matches with product quality	
	3. Price match with benefits	
Product Reviews	1. Awareness	- Lackermair et al., (2013)
	2. Frequency	
	3. Ratio	
	4. Influence	
Repurchase Interest	1. Minat transaksional	- Ferdinand (Dewi et al., 2020)
	2. Minat eksploratif	
	3. Minat preferensial	
	4. Minat referensial	

Sumber : Author Processed Data

It tested the instrument using the validity and reliability tests through SPSS software. To measure the validation test can use the Pearson product-moment correlation test, with the criteria if $r_{count} > r_{table} 5\%$, then it was valid, but if $r_{count} < r_{table} 5\%$, it was invalid. The reliability test was measured using the Cronbach alpha value in this study. If the Cronbach alpha value > 0.6 , the instrument is declared reliable, but if Cronbach alpha < 0.6 , the instrument is declared unreliable.

Data analysis in this study used statistical techniques in descriptive analysis, classical assumption test, multiple linear regression analysis, hypothesis testing in the form of simultaneous significance test (F test) and partial (T-test), and coefficient of determination.

RESULTS AND DISCUSSION

Variable Description

The description of this research variable describes the average score (mean) and the total score of respondents' answers from a range of values from 1 to 5. The higher the value, the better the perception of the variables in the research object. Here are the scores.

Tabel 3. Description of Research Variables

Variabel	Skor mean	Kategori
Brand Image	3,645	High enough
Price	3,74	High enough
Product Reviews	4,45	High
Repurchase Interest	3,23	Enough

Source: Author Processed Data

Classic Assumption Test

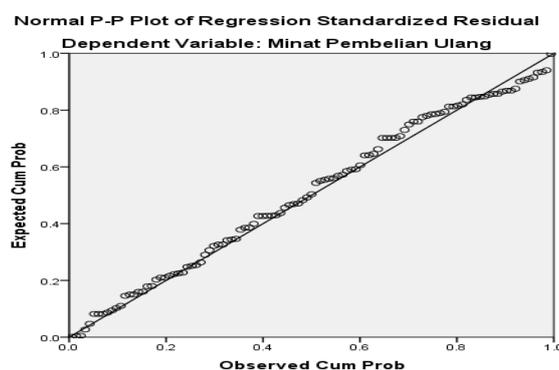


Figure 4. Normality Test

Source: Author Processed Data

Based on the picture above, we can see that the residual data (dots) follow the diagonal line. Thus the data can be said to be normally distributed.

Table 4. Multicollinearity Test

Variabel	Tolerance	VIF
Brand Image	0,646	1,548
Price	0,621	1,610
Product Reviews	0,910	1,098

Source: Author Processed Data

Based on the multicollinearity test table explains that the VIF value for the brand image, price, and product Reviews variables is not greater than 10. Therefore, we can conclude that there is no multicollinearity.

Table 5. Autocorrelation Test

Model	R	R Square	Std. Error of the Estimate	Durbin-Watson
1	.615 ^a	.378	2.461	2.156

Source: Author Processed Data

Based on the autocorrelation test table, we can find the Durbin – Watson value of 2.156. while from the table dW with a significance of 0.05 and the number of samples (n) = 109, and k = 3 (number of independent variables), the dL value is 1.63 and dU is 1.74,

Then $4-dW = (4 - 2.156) = 1.844$, because $1.844 > dU (1.74)$ it can be concluded that there is no autocorrelation.

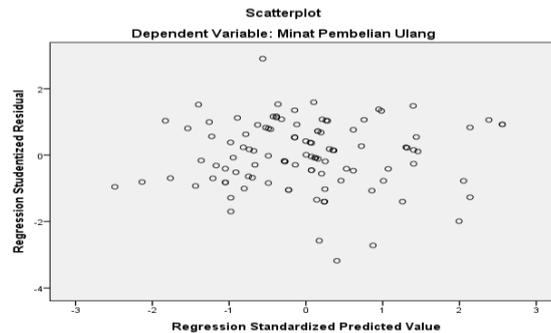


Figure 5. Heteroscedasticity Test

Source: Author Processed Data

The dots spread randomly above and below the number 0 on the Y-axis based on the picture above. Therefore, we can conclude that there is no heteroscedasticity.

Multiple Linear Regression Analysis

The results of multiple linear regression analysis found a regression equation as follows:

$$Y = 2.094 + 0.265 X1 + 0.066 X2 + (-0.192) X3 + e$$

Table 5. Autocorrelation Test

Variabel	B	T _{hitung}	.Sig
Constant	2,094		
Brand Image	0,265	6,360	0,000
Price	0,066	0,392	0,696
Product Reviews	-0,192	-1,915	0,58
F	=	21,312	0,000
R ²	=	0,378	

Source: Processed Data

From the regression equation above, we can conclude that the constant value of 2.094 means that if the independent variable = 0, the dependent variable is 2.094 units. The regression coefficient for the brand image is 0.265 and is positive, meaning that if there is an increase in the brand image value of 0.265, the value of repurchase interest will increase by 0.265. The regression coefficient for the price is 0.066 and is positive, meaning that if there is an increase in the price value of 0.066, the value of repurchase interest will increase by 0.066. Moreover, the regression coefficient for product reviews is -0.192. It is negative, meaning that if there is an increase in the value of product reviews by -0.192, the value of repurchase interest will decrease by 0.192.

Simultaneous Hypothesis Testing

Based on the multiple linear regression analysis results, the independent variables simultaneously influence the dependent variable (repurchase interest), indicated by the value of $F_{count} > F_{table}$ of $21.312 > 3.97$.

Table 7. Simultaneous Hypothesis Testing

Model		Df	F_{hitung}	Sig
1	Regression	3	21,312	0,000
	Residual	105		
	Total	108		

Source: Processed Data

The regression degree of freedom (df) = 3, the denominator df = 105 with a significance of 5%, and the known value of F_{table} = 2.69. Thus, hypothesis 4 can be accepted where the variables of brand image, price, and product reviews have a simultaneous and significant positive effect on product repurchase interest in Lazada e-commerce.

In addition, this also shows that brand image, price, and product reviews affect consumers repurchase intention. Therefore, when consumers buy products online, then Lazada e-commerce is the choice because, in the minds of consumers, the brand image in the sense of the name Lazada, the prices offered, and product reviews are the criteria that consumers want.

Partial Hypothesis Testing

Based on the results of the multiple linear regression test, the independent variable brand image has a partially significant effect on repurchase intention with a value of T_{count} (6.360) $>$ T_{table} (1.982). For the independent variable, price does not have a significant effect partially on repurchase intention because of the value of T_{count} (0.392) $<$ T_{table} (1.982). For the independent variable, product reviews do not have a partially significant effect on product repurchase intention because of the value of T_{count} (1.915) $<$ T_{table} (1.982). Thus hypothesis 1 can be accepted where the brand image variable has a partial and significant positive effect on product repurchase interest in Lazada e-commerce.

Coefficient of Determination Analysis

Based on the analysis results, we know that the determination coefficient is 0.378. Which can mean that the ability of brand image, price, and product reviews simultaneously influence or contribute to product repurchase interest in Lazada e-commerce. In addition, 37.8% and the remaining 62.2% influenced other factors not included in this study.

CONCLUSIONS

Based on the results of data analysis and discussion, we can conclude that only two were approved of the four proposed hypotheses, namely hypotheses 1 and 4, while the rest were not approved. Simultaneous testing shows a significant effect between the independent variables (brand image, price, and product reviews) on the dependent variable (repurchase

interest). The partial test shows that Brand image has a positive and significant influence on product repurchase intention at Lazada. Price does not have a positive and significant effect on product repurchase intention at Lazada. Product reviews do not have a positive and significant effect on product repurchase interest on Lazada. The value of R square or coefficient of determination (R²) is 37.8%, which means that the dependent variable (purchase interest) affects other factors not examined in this study by 63.2%.

Suggestions for this research are because the value of R Square or the coefficient of determination is 37.8%, 63.2% of the repurchase intention variable affects other factors not examined in this study. In order for this research to be complete, future researchers may be able to consider and add several other variables such as promotion, trust, product quality, and others. Of the three independent variables (brand image, price, and product review), only brand image positively affects repurchase interest. So Lazada must maintain a good brand image so that repurchase interest can continue to be stable or increase. In addition, a good brand image will make it easier for the company to expand its business portfolio, even though the new products made by the company are just entering the market.

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