The Mediation Role of Brand Equity on The Influence of Attitude Towards the Brand and Brand Image on Product Repurchase Intentions of Apple iPhone Product in Banda Aceh City

Kemal Farsha, Jasman J, & Sulaiman
Management Department, Universitas Syiah Kuala, **Indonesia**

Abstract

This research aims to examine the mediating role of Brand Equity (BE) on the Brand Attitude (BA) and Brand Image (BI) influence on Repurchase Intention. The population was all Apple iPhone product users in Banda Aceh City, Indonesia. The number of samples was determined using the Structural Equation Modeling (SEM) requirement, the formula is 10 times the number of indicators (17 indicators used), providing 170 respondents. Data were processed through AMOS with SEM Analysis. Direct effect testing will be carried out through SEM, and indirect effect testing will be carried out through the Sobel test. The research results show that among Apple iPhone product users in Banda Aceh City, Brand image influences Brand Equity, Brand Attitude influences Repurchase Intentions, Brand Image influences Repurchase Intention, Brand Equity influences Repurchase Intention, Brand Equity partially mediates the Brand Attitude influence on repurchase intention, and Brand Equity partially mediates the Brand Image influence on Repurchase Intention. These results illustrate that the model for increasing Repurchase Intention among Apple iPhone product users in Banda Aceh City is a function of stimulating a good Brand Attitude, improving brand image, strengthening brand equity, and strengthening repurchase intention. This finding is a reinforcement and theoretical development of several previous theories and contributes as a basis for further research development. The limitations are in the variables and scope. Practically, this research is also useful for answering problems that exist in the subject under study.

Keywords: Brand Attitude, Brand Image, Brand Equity, Repurchase Intention

1. Introduction

Global technological developments mean that all technological goods undergo rapid changes to suit individual lifestyles. One of the technologies involved and the fastest growing is mobile phones (smartphones). The development of mobile phones now means that mobile phones are not only used as communication tools but are also used as technology that helps individuals in their daily activities such as work, checking email/data, and so on. This development makes individuals today dependent on smartphones, this has an impact on smartphone demand. The survey shows that more than 50% of the Indonesian population uses smartphones and demand for smartphones continues to increase. The need for smartphones in Indonesia and around the world was growing. This was causing companies to work hard to make better smartphones, 90% of people who use the internet in Indonesia use their smartphones (tribunnews.com).

However, Apple's sales experienced a decline in the first quarter of 2020. The following is smartphone sales data in Indonesia in 2018-2022.

Table 1. Market Share of Smartphones in Indonesia

Brand	**2018**	**2019**	**2020**	**2021**	**2022**
Samsung	12%	18%	20%	19%	18%
Apple	53%	37%	20%	19%	18%
Huawei	9%	13%	15%	14%	15%
Xiaomi	7%	9%	12%	15%	16%
Oppo	5%	7%	9%	10%	9%

Source: Suara.com. 2020

Based on Table 1, the phenomenon that occurred shows Apple sales experienced a decline in sales market share in 2018 from 53% to 37% in 2019 and experienced a decline again from 2020 to 2022 which will be 18%. This is an interesting phenomenon to research because there is a gap where smartphone sales are increasing industry-wide but Apple iPhones are experiencing a decline in sales or market share. The decline in the Apple iPhone could be due to consumers' lack of satisfaction with iPhone products so they have no interest in repurchasing iPhone products. The decline in market share for Apple iPhone products is also due to product prices which are getting higher every year so Apple iPhone products tend to be expensive and can only be enjoyed by the upper classes.

Repurchase Intention is the behavior of consumers who want to buy or not buy a product (Kotler & Keller, 2018). Customers choose products based on their satisfaction with the product. The pre-survey reveals that repurchase intention respondents perceived is still relatively low because a mean was obtained of 3.35, where the average value is in the poor category (3.35 < 3.41), which indicates that repurchase intention has not been maximized as expected. Repurchase Intention is not good because Apple iPhone products are relatively expensive so they can only be purchased by upper-class people. One of the factors influencing Repurchase Intent is brand equity (BE). In product marketing, a marketer can achieve competitive advantage through a successful brand, and can also differentiate their products from competitors. Building brand equity is considered an important part of brand building. The emergence of repurchase interest among consumers is influenced by several specific factors, including customer satisfaction, competitive competence which is reflected in the product price level, as well as consumers' own experiences while using certain products. The pre-survey figures the brand equity respondents perceived are still relatively low because a mean 3.28 was obtained, where the mean value is in the poor category (3.28 < 3.41), which indicates that brand equity has not been maximized as expected. This lack of good brand equity is thought to have an impact on reducing consumers' Repurchase Intentions. This is supported by research by (Saribu, 2019) showing that brand equity influences repurchase intention.

The next factor is the Brand Attitude (BA). According to (Kotler & Keller, 2018), attitude toward brands is the most abstract thing from brand associations. Brand Attitude is a consumer's actions and behavior related to a brand that contains the attributes and advantages of the brand concerned. Product attributes that have many specific advantages over similar products will heighten consumer intentions. Brand Attitude is an attitude that will be consistent with the consumer's answer to the question of how satisfied the consumer is with the consumer's choice in consuming a product. Brand Attitude is also defined as the consumer's

tendency to evaluate a brand favorably or unfavorably and in a good or bad way (Bahri & Wijayanti, 2021). Consumers who are interested in a brand, the stronger a person's desire to choose that brand. The following is a preliminary survey regarding attitudes towards Based on the pre-survey, it can be explained that the Brand Attitude respondents perceived is still relatively low because a mean was obtained of 3.34, where the average value is in the poor category (3.34 < 3.41), which indicates that the Brand Attitude is not optimal as expected. This poor Brand Attitude is thought to have an impact on reducing consumers' Repurchase Intentions. This has been proven in the research results of (Kim & Kim, 2016), that Brand Attitude has a significant influence on repurchase decisions. Therefore, this research suspects that Brand Attitude significantly influences Repurchase Intention.

The next factor is the brand image (BI). (Aghekyan-Simonian, Forsythe, Kwon, & Chattaraman, 2012) in their research stated that brand image affects the Repurchase Intention of a clothing product. (Cham, Lim, Aik, & Tay, 2016) stated brand image affects Repurchase Intention. Apart from that, (Jalilvand & Samiei, 2012) stated that brand image significantly influences Repurchase Intention. The pre-survey explains the brand image respondents perceived is still relatively low because a mean 3.36 was obtained, where the mean value is in the poor category (3.36 < 3.41), which indicates that the brand image has not been maximized as expected. This poor brand image is thought to have an impact on reducing consumers' Repurchase Intentions. This has been proven in the research results of (Dewi & Hatammimi, 2014), supporting the results (Jalilvand & Samiei, 2012) where this research resulted in the brand image having a positive effect on Repurchase Intention.

2. Literature

Repurchase Intention

Online Repurchase Intention is a situation when a customer is willing and intending to engage in future transactions. According to (Megantara & Suryani, 2016), Repurchase Intention is a customer's intention to buy a product that has been purchased in the past. Repurchase Intention is the action of consumers to want to buy not regarding the product (Kotler & Keller, 2018). In the purchasing process, purchase intention or repurchase intention is closely related to the motive one has for using or purchasing a particular product. This purchasing motive is different for each customer. (Kotler & Keller, 2018) concluded Repurchase Intention measure it through the following indicators:

1. Transactional intent
2. Referential intent
3. Preferential intent
4. Exploratory intent

Brand Equity

(Kotler & Keller, 2018) define Brand Equity (BE) can being reflected in the way consumers think, feel, and act about the brand, price, market share, and profitability that the brand provides for the company. Strong brands guarantee high quality and value to customers, which ultimately will also have a broad impact on the company. (Tjiptono, 2017) explains that BE is a set of brand assets and liabilities associated with a brand, its name, and symbols, that add or subtract from the value a product or service provides to a company and that company's customers. The definition stated by (Tjiptono, 2017) implies that BE can be valuable for

companies (company-based BE) and for consumers (customer-based BE). The customer-based approach views BE from the perspective of consumers, both individuals and organizations. According to (Aaker, 2013) indicators of BE can be grouped into five indicators, that a brand is part of certain product categories, namely Brand awareness, Brand associations, Perceived quality, Brand loyalty, and Other proprietary brand assets.

Brand Attitude

Brand Attitude (BA) is a description of the extent to which consumers believe a product or service has certain attributes or benefits, and an evaluative assessment of beliefs about the good or bad of a product. According to (Faircloth, Capella, & Alford, 2001), BA is more of an attitude or behavior of brand communication and interaction with consumers which influences the brand image. (Kotler & Keller, 2018) define BA as the consumer's overall evaluation of the brand, or brand image as the overall evaluation of the brand in the context of quality and satisfaction with the brand. According to (Sumiati, Rosita, & Yuliant, 2016), BA is what customers think and how strongly consumers feel about a particular brand. According to (Park & Kim, 2021), attitudes toward brands can be measured through the following indicators, namely:

1. Like or dislike the product
2. Satisfaction with service
3. Opinion
4. Trust in a brand
5. Consumer evaluation of brands

Brand Image

Brand image (BI) is the consumer's perception of the brand of a product formed from information obtained by consumers through experience using the product. (Kotler & Keller, 2018) said BI is a consumer's response to a brand which is based on the good and bad qualities of the brand that consumers remember. BI is a belief formed in the minds of consumers about the product object that they have experienced. According to (Kotler & Keller, 2018), BI is a perception and beliefs held by consumers, as reflected in associations that occur in the consumer's memory. A strong BI can provide the main advantage for a company is that it can create a competitive advantage. According to (Kotler & Keller, 2018), BI has the following indicators:

1. Benefits of brand association (Favorability).
2. Strength of brand association.
3. Uniqueness of brand associations.

Hypothesis

From the discussion of the literature and referring to the facts that occurred, this research determines the hypothesis as follows.

H1: BA Influences BE
H2: BI Influences BE
H3: BA Influences Repurchase Intention
H4: BI Influences Repurchase Intention
H5: BEInfluences Repurchase Intention

H6: BA Influences Repurchase Intention through BE
H7: BI Influences Repurchase Intention through BE

3. Method

The population in this study were Apple iPhone users in Banda Aceh City. The number of samples was determined using Structural Equation Modeling (SEM)'s requirement, the formula is 10 times the number of indicators (17 indicators used), (Ferdinand, 2014), providing 170 respondents. Data were processed through AMOS with SEM Analysis. Direct effect testing will be carried out through SEM, and indirect effect testing will be carried out through the Sobel test. Results that can prove its significance are the p-value and critical ratio (CR), as well as the magnitude of their influence on the estimate. The survey results in the form of average numbers per indicator are used to produce recommendations for research subject.

4. Result

The complete model SEM stage was carried out by carrying out suitability tests and statistical tests. The research hypothesis testing was proven based on the Critical Ratio (CR) from a causal relationship that is explained below.

Table 2. Regression Weight

		Influence	Estimate	S.E	CR	P	R-Square
Brand Equity	<---	Brand Attitude	0.446	0.076	4.708	0.000	0.446
Brand Equity	<---	Brand Image	0.469	0.071	4.750	0.000	
Repurchase Intention	<---	Brand Attitude	0.271	0.092	3.138	0.002	
Repurchase Intention	<---	Brand Image	0.448	0.097	4.460	0.000	0.800
Repurchase Intention	<---	Brand Equity	0.236	0.108	2.476	0.000	

Source: Processed Primary Data, (2023)

H1: BA Influence on BE

The BA influences BE obtained CR 4.708 with significance (p) 0.000, meaning BA affects increasing BE. The magnitude is 0.446 or 44.6%. This reveals that a better BA will have a positive and real influence on increasing BE.

H2: BI Influence on BE

The BI influence on BE obtained CR 4.750 with p 0.000, meaning BI affects increasing BE. The magnitude of that model is 0.469 or 46.9%. This explains that the better the BI, the greater the BE will increase.

H3: BA Influence on Repurchase Intention

The BA influences repurchase intention obtained CR 3.138 with p 0.002, meaning BA influences repurchase intention. The magnitude of the model is 0.271 or 27.1%. This reveals the better the BA, the greater the repurchase intention.

H4: BI Influence on Repurchase Intention

The BI influence on Repurchase Intentions obtained a CR 4.460 with p 0.000, meaning BI influences repurchase intention. The magnitude of the model is 0.271 or 27.1%. This shows the better the BA, the greater the repurchase intention.

H5: BE Influence on Repurchase Intention

The influence of BE on Repurchase Intentions obtained a CR 2.476 with p 0.000, meaning BE influences Repurchase Intention. The magnitude is 0.236 or 23.6%. This indicates that the better BE will have a direct influence on Repurchase Intention.

H6: BA influence on Repurchase Intention through BE

From the Sobel test calculation, the result was 2.047 and was significant at $\alpha = 0.040$. Thus, BE acts as a mediating variable between BA and Repurchase Intention. So, because BE has a significant effect and acts as a mediating variable, BA affects Repurchase Intention, then the role of BE in mediating the relationship between BA and Repurchase Intention is partially mediating. Partial mediation means that the relationship between BA and Repurchase Intention is not fully mediated by BE.

H7: BI Influence on Repurchase Intention through BE

From the Sobel test calculation, the result was 2.074 and was significant at $\alpha = 0.038$. Thus, BE acts as a mediating variable between BI and Repurchase Intention. So, because BE has a significant effect and acts as a mediating variable, BI affects Repurchase Intention, then the role of BE in mediating the relationship between BI and Repurchase Intention is partially mediating. Partial mediation means that the relationship between BI and Repurchase Intention is not fully mediated by BE, whereas the influence of BI on Repurchase Intention can be explained indirectly by BE.

5. Conclusion

The hypothesis test result shows that:

1) Brand Attitude influences Brand Equity among Apple iPhone product users in Banda Aceh City.
2) Brand image influences Brand Equity among Apple iPhone product users in Banda Aceh City.
3) Brand Attitude influences Repurchase Intention among Apple iPhone product users in Banda Aceh City.
4) Brand Image influences Repurchase Intentions among Apple iPhone product users in Banda Aceh City.
5) Brand Equity influences Repurchase Intentions among Apple iPhone product users in Banda Aceh City.
6) Brand Equity partially mediates the Brand Attitude influence on repurchase intention among Apple iPhone product users in Banda Aceh City.
7) Brand Equity partially mediates the Brand Image influence on Repurchase Intention among Apple iPhone product users in Banda Aceh City

These results illustrate that the model for increasing Repurchase Intention among Apple iPhone product users in Banda Aceh City is a function of stimulating a good Brand Attitude, improving

brand image, strengthening brand equity, and strengthening repurchase intention. This finding is a reinforcement and theoretical development of several previous theories and contributes as a basis for further research development. The limitations are in the variables and scope. Practically, this research is also useful for answering problems that exist in the subject under study. Some recommendations from the results are as follows.

1) For the attitude variable towards the brand, the lowest average value was obtained for the consumer evaluation indicator towards the brand where the respondent admits that Apple iPhone products are not of very good quality. This can be a concern for the Apple iPhone company so that it can improve product quality.

2) For the brand image variable, the lowest average value was obtained for the strength of product association indicator where the Apple iPhone product had not been able to socialize the strength of the brand through advertising well. This can be an input for the Apple iPhone company to properly socialize the product's benefits to consumers.

3) For the brand equity variable, the lowest average value was obtained for the other indicator of brand asset profitability, where. This can be an input for the Apple iPhone company to improve product quality so that consumers will feel happy using the product.

4) For the Repurchase Intention variable, the lowest average value was obtained for the transactional intention indicator. This could be a concern for the Apple iPhone company to release new products more often so that consumers are interested in making repeat purchases

5) To create an increase in Brand Equity and Repurchase Intention, Apple iPhone product companies must increase their Brand Attitude, namely how consumers feel very satisfied while using Apple iPhone products

6) It is hoped that Apple iPhone product companies will be able to improve their Brand Image by creating products that are superior to other companies' products.

7) The Brand Equity Factor is a mediating variable, therefore to increase Repurchase Intention among Apple iPhone Product Users, Brand Equity Factor needs to be paid more attention to and improved to increase consumer engagement and at the same time have an impact onRepurchase Intention.

References

1) Aaker, D. A. (2013). Manajemen Pemasaran Strategis "Strategic Market Management" (Ed. 8). Jakarta: Salemba Empat.

2) Aghekyan-Simonian, M., Forsythe, S., Kwon, W. S., & Chattaraman, V. (2012). The role of product brand image and online store image on perceived risks and online purchase intentions for apparel. Journal of Retailing and Consumer Services, 19(3), 325–331. https://doi.org/https://doi.org/10.1016/j.jretconser.2012.03.006

3) Bahri, K., & Wijayanti, S. K. (2021). Pengaruh Brand Image dan Brand Attitude Terhadap Brand Equity Kosmetik Merek Oriflame Pada Pegawai SMA Negeri 2 Muara Badak. I-Con Media Literasi Nusantara, 4(2), 30–43.

4) Cham, T. H., Lim, Y. M., Aik, N. C., & Tay, A. G. M. (2016). Antecedents of hospital Brand Image and the relationship with medical tourists' behavioral intention. International Journal of Pharmaceutical and Healthcare Marketing, 10(4), 412–431. https://doi.org/https://doi.org/10.1108/IJPHM-02-2016-0012

5) Dewi, P. R. C., & Hatammimi, J. (2014). The Influence of Electronic Word Of Mouth Toward Brand Image and Purchase Intention of 13th Shoes. Conference: International Conference on Economics, Education and Humanities (ICEEH), 66–70. https://doi.org/10.13140/RG.2.1.5140.1763

6) Faircloth, J. B., Capella, L. M., & Alford, B. L. (2001). The Effect of Brand Attitude and Brand Image on Brand Equity. Journal of Marketing Theory and Practice, 9(3), 61–75. https://doi.org/https://doi.org/10.1080/10696679.2001.11501897

7) Ferdinand, A. (2014). Structural Equation Modeling dalam Penelitian Manajemen (5th ed.). Semarang: Badan Penerbit Universitas Diponegoro.

8) Jalilvand, M. R., & Samiei, N. (2012). The effect of electronic word of mouth on brand image and purchase intention: An empirical study in the automobile industry in Iran. Marketing Intelligence & Planning, 30(4), 460–476. https://doi.org/10.1108/02634501211231946

9) Kim, D., & Kim, M. (2016). Influence of Brand Awareness and Brand Attitude on Purchase. Journal of Marketing Thought, 3(1), 16–26.

10) Kotler, P., & Keller, K. L. (2018). Marketing Management, Global Edition (15th editi). Harlow, United Kingdom: Pearson.

11) Megantara, I. M. T., & Suryani, A. (2016). Penentu Niat Pembelian Kembali Tiket Pesawat Secara Online Pada Situs Traveloka.Com. E-Jurnal Manajemen Unud, 5(8), 1–29.

12) Park, W.-Y., & Kim, S. (2021). The Structural Relationship among Brand Dependence, Brand Attitude, Brand Satisfaction and Repurchase Intention of Online Golf Product Consumers. International Journal of Advanced Smart Convergence, 10(4). https://doi.org/https://doi.org/10.7236/IJASC.2021.10.4.38

13) Saribu, H. D. (2019). Pengaruh Brand Equity Terhadap Purchase Intention. Jurnal Mantik Penusa, 3(1), 21–26.

14) Sumiati, Rosita, N. H., & Yuliant, I. (2016). Brand dalam implikasi bisnis (A. Sabil, ed.). Malang: UB Press.

15) Tjiptono, F. (2017). Strategi pemasaran (4th ed.). Jakarta: Andi.