

# **Effect of Brand Image on Repurchase Intention**

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**Abstract.** This study aims to determine the effect of brand image on repurchase intention. The research method uses a quantitative approach, with a sample of 383 respondents. Data analysis technique with Structural Equation Model (SEM). The study results show that brand image positively and significantly affects repurchase intention. The highest contribution of the brand image dimension to repurchase intention is the user image dimension, which is correlated with the try-to-buy dimension. Companies must continue to improve and maintain a brand image as brand personality traits such as halal, green products, no texting animals, and dermatologically tested to increase consumer repurchase intention.

Keywords: Brand Image, Repurchase Intention.

### 1 INTRODUCTION

The COVID-19 pandemic situation has caused several industries to experience substantial losses. Companies cannot run properly for quite a long time [1]. As a result of this pandemic, almost all activities were carried out from the home to prevent the spread of the virus [2], which ultimately affected the way of life, work, and shopping and, more specifically, impacted consumer behaviour [3].

Consumer behaviour is an activity that is closely related to the process of purchasing an item or service [4]. After the customer purchases, cognitive beliefs such as individual perceptions regarding product satisfaction and use will change to discontinue use or lead to repurchasing behaviour [5][6]. Repurchasing a product is important because it can determine the company's income or source of income. One indicator for predicting repurchase is the repurchase intention of the customer [7].

Repurchase intention still attracts the attention of researchers [8][9][10][11] as one of the important factors for companies to demonstrate behaviour in making repurchases both in the long and short term [12]. Research on repurchase intention has been conducted in several industries, such as smartphones [13], farmers [14], fast-food [15], banks [16], ecotourism [17], hospitality [18], clothing retailing [19], e-commerce [20], and cosmetics [21].

Indonesia has a promising beauty business opportunity [22]. The beauty industry is growing exponentially in Indonesia [23]. As a result of increasing people's living standards [24] and public awareness of health and self-care, it has encouraged business people to expand into this industry [25]. Indonesia is a target market for beauty industry

business players because of the relatively high public consumption of beauty and personal care products [26]. Figure 1 shows that the amount of income generated from this industry indicates that beauty and personal care products have become a necessity for the majority of Indonesian people as well as a business opportunity [27]. With the high level of competition, companies must take care of their consumers [28] and create a different strategy that can attract customer repurchase intention [29].

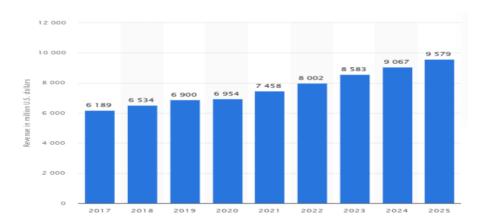


Fig. 1. Estimated Revenue of the Beauty and Personal Care Market in Indonesia in 2017-2025.

Local products in Indonesia are in greater demand than imported products. Table 1 shows that in the last two years, brands with the largest market share have been acquired by local brands, namely Wardah Products in 2020 and Makeover in 2021. Even sales to local beauty brands on the sociolla application have increased by up to 66% in 2021. This shows that the more intense the competition for cosmetic products in Indonesia, the more important it is for companies to maintain old customers who have made purchases and determine the right product/according to consumer needs because it will affect customer repurchase intention [30].

2018	2019	2020	2021
Maybelline	Maybelline	Wardah	Makeover
Wardah	Wardah	Maybelline	Maybelline
Make Over	Make Over	Emina	Esqa
Emina	Emina	Pixy	Luxcrime
Purbasari	Pixy	Viva	Wardah
Viva	Marcks	Purbasari	Madame Gie
Pixy	Purbasari	L'oreal	Dear Me Beauty
Sariayu	Viva	Sariayu	Something
Mineral Botanica	L'oreal	Makeover	BLP
Inez Cosmetics	LA Girl	Oriflame	Pixv

Table 1. Top 10 Most Popular Cosmetics in Indonesia 2018-2021.

Many local brands have sprung up, challenging business people to provide quality, safe and healthy cosmetic products for Indonesian skin [22]. Figure 2 shows decreased sales and the company's target not being achieved. Repurchase intention that customers have for cosmetics products of PT. Martina Berto, especially the Sariayu brand, is still not optimal [31].

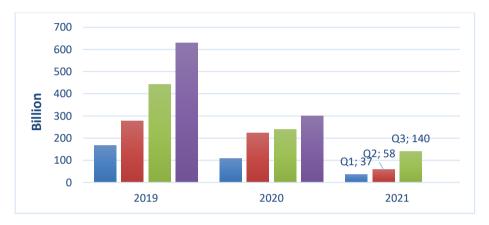


Fig. 2. Cosmetics Sales Data Pt. Martina Berto Year 2019 – 2021.

Customer visits to a website are also an indicator of repurchase intention [32]. Figure 3 shows the Sariayu.com Website Traffic in November 2021 - March 2022. It can be seen that in November 2021, there were 880 visits. There were 196 visits in December, and in January 2022, there were 1,109 visits. Compared to similar competitors, Sariayu.com is still a website with low visits amounting to 5000 visits. This shows the low desire of consumers to seek information on Sariayu products, hence the low repurchase intention of customers.

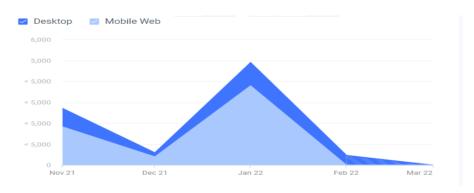


Fig. 3. Sariayu.Com Website Traffic in November 2021 – March 2022.

Repurchase intention that is not optimal will impact the company's finances [33] because when customers have low repurchase intention, it will prevent them from making purchases [34]. Not only that, companies need to pay more to find new customers [33].

Attracting new customers maybe five times more expensive than retaining existing customers [34]. Therefore, if the company experiences low or loss of repurchase intention, it will be a severe threat that will impact its bankruptcy [7].

Based on previous research, several factors influence repurchase intention, including brand loyalty [35], brand satisfaction, interpersonal trust, interpersonal emotion [22], interaction intensity, customer satisfaction [16], electronic word of mouth (ewom), and brand image., price [8], perceived value [13], brand trust [36], relationship marketing [18], consumer perception [37], brand experience, service quality [38], halal logo/certification [11], product quality [18], Social Media Marketing [39], online promotion [40], social media marketing [41], and brand image [42].

Strong brand image attachment to consumers will also affect repurchase intention [17][43]. Consumers who tend to have a positive image of a brand tend to have the intention to make a purchase; therefore, companies need to create a good brand image [42]. Customer trust in the brand is also influenced by the favourable opinion of the company, which is generated by a higher standard of brand image [44]. The brand image does not directly affect repurchase intention but has a positive effect when moderated by brand trust [45]. Some consumers are more concerned with good and promising brands that will provide satisfaction. When customers trust the brand, long-term relationships with customers will be formed, leading to repurchase intention [46].

Based on the description of the problems that have been put forward, this research aims to find out how much brand image influences Repurchase Intention.

### 2 METHODS

This research was conducted to determine the effect of brand image on repurchase intention. The independent (exogenous) variable in this study is brand image, which includes corporate image, product or service image, and user image [47]. Meanwhile, this study's dependent variable (endogenous), namely repurchase intention, includes continuing to purchase in the future, trying to buy, and recommending to friends and colleagues [48].

This study uses a cross-sectional study to collect data over a certain period (daily, weekly, or monthly) to answer all research questions [49]. Respondents in this study were Sariayu cosmetic users and followers of the Instagram account Sariayu Martha Tilaar, with a sample of 383 from a total population of 206,000 followers of the Instagram Sariayu Martha Tilaar account as of March 24, 2022.

The sampling technique used in this study is non-probability sampling, which is a sampling technique in which the entire population does not have the same opportunity to be selected as a sample. The method used is the purposive sampling method. Purposive sampling is a sampling technique that considers certain things [50]. The main feature of this method is that sample members will be specifically selected according to the study's objectives [51].

The verification data analysis technique in this study was used to find out the correlation in the study, namely using the Structural Equation Model (SEM) analysis technique. This study created a structural model, which is presented in Figure 4. Structural Model of the Influence of Brand Image on Repurchase Intention.

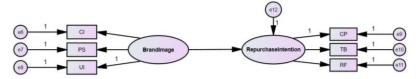


Fig. 4. Structural Model of the Influence of Brand Image on Repurchase Intention.

The hypotheses to be tested in this study are:

H0: c.r ≤ t-table (1.96), meaning that there is no influence of brand image on repurchase intention

H1:  $c.r \ge t$ -table (1.96), it means that there is an influence of brand image on repurchase intention.

## 3 RESULTS AND DISCUSSION

Hypothesis testing was carried out using a t-value with a significance level of 0.05 (5%) and degrees of freedom of n (sample). The t-value in the IBS SPSS AMOS program version 22 is the Critical Ratio (CR) value. If the CR value  $\geq$  t-table (1.96) or the probability value  $\leq$  0.05, then H0 is rejected (the research hypothesis is acceptable). The research hypothesis is:

H0: c.r ≤ t-table (1.96), meaning that there is no influence of brand image on repurchase intention

H1:  $c.r \ge t$ -table (1.96), it means that there is an influence of brand image on repurchase intention.

After processing the data, the hypothesis test analysis shows that the CR value on the brand image variable on repurchase intention is 4.044. This value  $\geq 1.96$  means a relationship exists between brand image and repurchase intention. Meanwhile, the output probability value shows a sign (\*\*\*), and the P value is  $\leq 0.05$ , which means that brand image has a significant influence on repurchase intention. So this supports H0 to be rejected, and the hypothesis that there is an effect of brand image on repurchase intention is accepted, with the hypothetical path diagram shown in Figure 5.

The results of this study are in line with previous research, which suggests that brand image has a positive and significant effect on repurchase intention [17][45][52]. The more positive the brand image, the higher the repurchase intention of consumers [42]. Brand image is a perception related to the brand that is reflected by brand associations stored in consumers' minds [53]. When a consumer has a good perception of a brand, the consumer will tend to have a repurchase intention [42]. Brand image influences repurchase intention, which is moderated by brand trust. Brand trust strengthens the influence between brand image and repurchase intention because when a company's

brand image is good, it will increase brand trust in customers so that they will make repurchase intentions in the future [45].

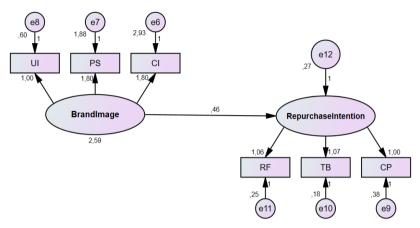


Fig. 5. Hypothesis Path Diagram.

At the output of data processing, there are several matrices indicating a relationship between the factors forming a latent variable and relationships with other latent variable factors. The data is shown in Table 2, Implied Correlation of All Variables, which shows the estimate or estimate of the population correlation matrix of all the variables in this study, as follows:

Effect of Image (X2) on Repurchase Intention (Y)		
X <sub>2</sub> Corporate im-	Y1 Continue to purchase in the future	0, <b>567</b>
age	Y2 Try to buy	0,619
_	Y3 Recommended to friends and colleagues	0,604
X <sub>2</sub> Product or ser-	Y1 Continue to purchase in the future	0,602
vice image	Y2 Try to buy	0,657
_	Y3 Recommended to friends and colleagues	0,641
X <sub>2</sub> User image	Y1 Continue to purchase in the future	0,640
_	Y2 Try to buy	0,698
_	Y3 Recommended to friends and colleagues	0,681

Table 2. Implied Correlation Of All Variables.

Table 2, Implied Correlation of All Variables, shows that the highest loading factor for the brand image dimension that forms repurchase intention is the user image dimension, which correlates with the try-to-buy dimension of 0.698; this is in line with the highest SRW value, which is in the user image dimension of 0.885.

### 4 CONCLUSIONS

The results of the study show that brand image affects repurchase intention. The highest contribution of the brand image dimension to repurchase intention is the user image dimension, which is correlated with the try-to-buy dimension.

Companies must continue to improve and maintain their brand image as brand personality traits such as green products, no texting animals, dermatologically tested, and so on so that consumers better remember them and can increase consumer repurchase intentions.

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