



# Discovering Factors of Indonesian Customer Brand Attitude Towards Australian SMEs' Brand

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**Abstract.** This study aims to determine the factors encouraging Indonesian consumers to form favorable attitudes towards brands from Australia's Small and Medium Enterprises (SMEs). This research is explanatory-quantitative research to reduce the number of variables, detect the structure of the relationships between variables, and classify them into a new group of variables. This study involved 182 Indonesian customers who at least bought Australian SMEs' fashion, craft, and food & beverages products twice. This research concludes that ten factors underlie the Indonesian consumers' brand attitude towards Australia's SMEs product. They are Content Digital Marketing, Positive Brand Value Communication, Brand Uniqueness, Enjoyment of Brand Experience, Value As Identity, Call To Action, Memorable Nostalgic Advertising, Creative Promotion, Nostalgic Country Of Origin, Technology-Based Sensory Motivation. This study confirms that a favorable attitude made by a customer reflects an interaction between a potential consumer's involvement with the purchase decision and the underlying positive motivation to purchase.

**Keywords:** Customer Brand Attitude, Foreign Brand, Non-Local Brand, Australia SMEs, Factor Analysis.

## 1 Introduction

Small Medium Enterprises (SMEs) are the new segment of business that plays an important role in national economic development. The definition and criteria of SMEs vary based on each country. The Organization for Economic Co-operation and Development report "Financing SMEs and Entrepreneur 2022" states that in 2019 – 2020, there were 2,418,037. SMEs account for 98.8% of all enterprises in Australia and employed more than 7.6 million people in 2018 – 2019, which equates to around 66% of employment in the private sector. SMEs in Australia are categorized as small businesses with 0 – 19 employees, medium businesses with 20 – 199 employees, and large businesses with more than 200 employees [1].

Since 1989, the Australian SMEs has been expanding their product to Indonesia. Some Australian brands in Indonesia are SME brands in the creative economy industry, such as fashion, handicrafts, cosmetics, and food and beverages. In purchasing these products, Indonesian consumers access digital media such as websites, e-commerce to social media [2 - 4].

Brand attitude is important and can also affect the purchasing stage [5]. In the context of entering a new market, when a brand gets a favorable brand attitude from a host country's customer, then, that brand is more likely to be easier to get accepted and grow. However, evaluating non-local brands is harder than local brands [5 - 7]. This is because the customer will need more time and support from other parties. In The Indonesia-Australia Trade Value, Australia brand acceptance by Indonesian Customers rapidly increased. It means that the brands are well-accepted.

This contradiction between what the theory stated and what is happening in the data leads to a gap in that there is an urgency to know what factors lie behind the favorable brand attitude of Indonesian customers to the Australian brand. There has not been any study related to this since the previous studies are only focused on the finding of brand perception, consciousness, and trust [8 - 10]. Previous research found that a favorable attitude made by customers reflects an interaction between a potential consumer's involvement with the purchase decision and the underlying positive motivation to purchase [11]. In addition, the type of Indonesian consumer behavior is the Creative Choice Counter-Conformity (TCCC). Consumers with TCCC-type behavior more often choose creative product choices, allowing them to express their uniqueness and be accepted by others [12 - 13]. Thus, this study aims to determine the factors that encourage Indonesian consumers to form favorable attitudes toward brands from Australia's Small and Medium enterprises (SMEs).

## **2 Method**

This research is exploratory-quantitative. This type of research aims to reduce the number of variables, detect the structure of the relationships between variables, and classify them into a new group of variables. This study involved 182 Indonesian customers who at least bought twice Australian SME products in fashion, craft, and food & beverages. The data were collected through questionnaires, interviews, and literature studies. The instruments were set to answer what could be the determinant factors that encourage Indonesian consumers to form favorable attitudes towards brands from Australia Small Medium Enterprises (SMEs). The data were tested using the Explanatory Factor Analysis (EFA) approach with the help of the Statistical Package for the Social Sciences (SPSS) version 25.0 for Windows.

## **3 Results and Discussion**

### **3.1 Respondent Profile**

This study involved 182 Indonesian customers who at least bought twice Australian SME products in fashion, craft, and food & beverages. Following is their profile.

**Table 1. Respondent's Profile**

Category		Percentage
Gender	Male	12%
	Female	88%
Age	18 – 30	14%
	30 – 40	45%
	40 - 50	35%
	>50	6%
Occupation	Worker	60%
	Fresh graduate	30%
	Unemployment	10%
Status	Single	44%
	Married	55%
	others	1%
Sal- ary/month	>5 million IDR	55%
	3 – 5 million IDR	43%
	<3 million IDR	2%
Frequent purchasing of the product	Two times	40%
	3 - 5 times	55%
	More than ten times	5%

Source: Data Processing by Author

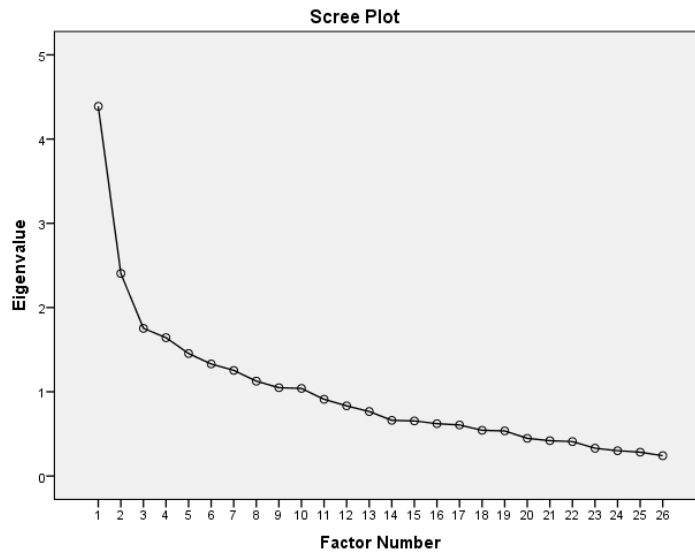
Table 1 shows that the profile of respondents in this study was dominated by women (88%), with an age range of 30-40 years (45%) and employed (60%). Respondents are also dominated by those who are married (55%) with a monthly salary of > 5 million (55%) and have made purchases 3-5 times (55%).

### 3.2 Factor Analysis

In conducting factor analysis, two assumptions must be met. First, the sample used must be sufficient to detect similarities between variables by means of the Kaiser-Meyer-Olkin Measure (KMO) of Sampling Adequacy analysis with a value of more than 0.5. This study found that the KMO value is 0.681, meaning that the first assumption is fulfilled. That is, the sample used is sufficient to detect similarities between variables.

The second assumption is that factor analysis works based on correlations between variables. This is because highly correlated variables will form certain groups. If the significance of Bartlett's Test of Sphericity is below 0.05, then the items are mutually correlated. This means a significance number of 0.000, meaning that the second assumption is fulfilled because the items correlate. Next is to find how many factors can be seen through the total variance explained. This study found that ten factors have a value above 1, and these ten factors have explained 50.5% of the overall variation. In order to find the final factor, a rotated factor matrix is analyzed. After that, it can be

concluded that ten determinant factors encourage Indonesian consumers to form favorable attitudes towards brands from Australian small Medium Entreprises (SMEs) as visualized in Figure 1 below:



**Fig 1.** Scree Plot of 10 Determinant Factors of Indonesian consumers to form favorable attitudes towards brands from Australian SMEs

Source: Data Processing by Author

## 4 Conclusion

This study concludes that ten factors encourage consumers to give an attitude towards the brand from Australian MSMEs. The first factor is technology involvement in advertising, technology involvement in making the product, creative product, culture uniqueness, creative promotion, and technology involvement in the product. They are an involved element of a promotional service program that uses technology, where the promotional content is packaged in an attractive form, and in making the promotional content informs the products produced from technology coupled with information on the uniqueness of the culture reflected in the brand. Thus, factor 1 is named "digital marketing content. "

The second factor is formed from Intellectual Stimulation in buying the product, Intellectual Stimulation in loving the product, Advertising that concludes the logical belief, and Advertising that concludes the overall positive brand evaluation. They are elements involved in promotional activities that can stimulate consumer logic in buying and loving the brand being marketed. Thus, factor 2 is called "Positive Brand Value Communication." The third factor is formed from Creative products, uniqueness of product, and uniqueness of promotion. They are an element of the uniqueness and

creativity of the product. Thus, factor number 3 is called "Brand Uniqueness ."The fourth factor is formed from Sensory Gratification in perceiving the value and sensory Gratification in enjoying the product. They are an element of a pleasant experience when using the product. Thus, factor number 4 is named "Enjoyment Brand Experience ."The fifth factor is formed from value as customer identity, value as reflected in the product communication. They are the elements that explain the value of the product. Thus, factor number 5 is named "Value as identity".

The sixth factor is formed from Advertising that concludes the reason to act. This is an element that motivates consumers to evaluate and make purchases. Thus, factor number 6 is named "Call To Action." The seventh factor is formed from nostalgic advertising. This is an element in which the marketing/advertising the brand delivers can evoke memories/nostalgia about using the brand. Thus, factor number seven is called "memorable nostalgic advertising. The eighth factor is formed from Creative promotion. This is an element that suggests that a favorable attitude has an impact on creative promotional services. Thus, factor number eight is called "Creative Promotion".

The ninth factor is formed from Nostalgic product, Intellectual Stimulation in liking the product, and the value of the country of origin. This element is related to the nostalgia one gets about the country of origin when using that brand. Thus, factor number nine was named "Nostalgic Country of Origin ."The tenth factor is formed from Sensory Gratification in motivating the purchase, Technology involvement in the product, and Creative brand communication. This element is related to their communication, which can generate sensory to motivate purchases. Thus, factor number ten is called "Technology-based sensory motivation ."From the results of the factor analysis above, this research is in line with [11] that a favorable attitude made by the customer reflects an interaction between a potential consumer's involvement with the purchase decision and the underlying positive motivation to purchase.

Australian brands in Indonesia are SME brands in the creative economy industry such as fashion, handicrafts, cosmetics, and food and beverages. In purchasing these products, Indonesian consumers access digital media such as websites, e-commerce, and social media [2 - 4]. They successfully have created a positive brand communication that leads to a favorable attitude by consumers. Most consumers have personal experiences related to the country of origin, the uniqueness of the product, and how creative they communicate through technology. This research is also in line with [12 - 13] that the type of Indonesian consumer behavior is the Creative Choice Counter-Conformity (TCCC); consumers with TCCC-type behavior more often choose creative product choices and allow them to express their uniqueness and also be accepted by others.

## **Acknowledgment**

The authors would like to express their gratitude for the support of funding for this article from The Indonesian Education Scholarship Program (Beasiswa Pendidikan Indonesia) under Ministry of Education, Culture, Research and Technology (MoECRT),

Balai Pembiayaan Pendidikan Tinggi / Higher Education Funding Center (BPPT), Pusat Layanan Pembiayaan Pendidikan (Puslapdik) and The Indonesia Endowment Funds for Education (LPDP).

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