

Factors Influencing Consumer's Online Brand Usage Behavior: Evidence from Online Shoppers in Indonesia

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Abstract. This research was conducted in order to examine the influence of demography factors towards consumer's online brand usage behavior. The indicators that used are borrowed from previous research and through various validity tests to be adjusted with Indonesian shoppers. The result from this research indicates that demography factors measured by gender, age, occupation, domicile, and monthly expenses influence consumer's frequency of visiting online brand hotel booking sites and therefore producer should consider it to create and implement the best marketing strategy for their target market.

Keyword: Demography, Consumer Behavior, Online Brand, Brand Equity, Awareness, Value Associations, Perceived Quality, Online Purchase Intentions, Loyalty, Indonesian Online Shoppers

1. Introduction

Through the growth of technology that make changes of consumer's purchasing activity, there are many brands that offers an online purchase. This encourages people to make their own label/brand and sell it online and of course makes the competition even higher and tighter. This also happened in Indonesia, people who usually shop online through sites like Facebook (www.facebook.com) and Kaskus (www.kaskus.us), which is a forum, now start to trust and shop in online brand which started popping up a lot and be an option for consumer to shop. Consumer's online brand behavior could be affected by many factors, one of which is demography characteristics. Producer needs to develop the right strategy and therefore has to determine their target market that can be seen demographically. Thus the purpose of this research is to found out how to measure consumer's online brand behavior and discover the influence of demography factors based on responses given by Indonesian people who buy online products/services.

2. Theoretical Background

Brand equity is an important intangible asset of a company therefore creating it is a wise investment. It is possible to conceive that it is not only more difficult to create brand equity on the Internet, but also there are different ways to create it. Brand equity, whether online or offline, cannot be created unless consumers recognize and recall the brand forming associations in their minds (Keller, 2008)³. There are several factors that affecting brand equity which is awareness, value associations, and perceived quality.

Brand equity occurs when the consumer has a high level of awareness and familiarity with the brand. Content is one way marketers create awareness about the company, together with more web-specific advertising tools such as interstitials and banners. Online brand websites functionality (a combination of fulfillment activities and web functionality) contribute to create awareness and trust directly and help, indirectly, in building loyalty and brand equity. Other factors influencing brand equity, value associations, refers to customer's perceived preference for and evaluation of those product attributes, attribute performances, and consequences arising from use that facilitate achieving the customer's goals and purposes in use situations (Woodruff, 1997)⁶. The last is perceived quality that refers to consumer judgment and/or opinion of an online brand's ability to fulfill their expectation. It may have a little or nothing to do with the actual performance of the online brand and is based on its image towards people, consumer experience of related products, and the influence of opinion leaders, consumer's peers, and others.

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Purchase intention refers to consumers' willingness to engage in online exchange relationships with web vendors (Pavlou & Gefen, 2004)⁴. When consumers trust an online brand, they believe that it is capable of protecting one's privacy, selling high quality products, and safely completing an online transaction. That is, consumers' purchase intention is formed by their evaluation of products or attitude towards a brand combined with external stimulating factors. The repetition of purchasing from online brand would create consumer loyalty which has been defined as a favorable attitude toward a brand resulting in consistent purchase of that brand over time (Assael, 1992)¹. In the online brand scope, website loyalty refers to customer's favorable attitude toward an electronic business resulting in repeat buying behavior. Good relationship with the consumer by provides them satisfying experience on online purchase activity will create consumer loyalty toward the online brand.

3. Methodology

The measurements for this study were derived from the valid measurements in previous research journals and then it tested with convergent and face validity test in order to find the right measure for Indonesian shoppers. The measure used in this research are awareness, value associations, perceived quality, brand equity and loyalty which borrowed from Rios and Riquelme (2008)⁵ and online purchase intentions which borrowed from Elena and Miguel (2008)². The respondent's response were measured on a six-point semantic differential scale anchored between strongly disagree (1) and strongly agree (6), six scales used in order to avoid Indonesian people habit in answering questions with odd scale, they tend to answer the middle one which is indifferent. Therefore, their answer didn't have any certain tendency. The questionnaires were distributed via online and offline. The offline questionnaires were distributed by personal approach and the online questionnaires distributed by social media, mailing list, and personal email.

The survey was established in Indonesia and covers two big cities, which are Jakarta and Bandung, and study shopping behavior of people within the age range between 18 to 35 years old. This research cover online brand that offer product with the option offered is some clothing line in Indonesia and service which in term of online brand hotel booking sites. Within a month, there are 374 respondents who gave valid feedback. This research used 2 analyses which are cross tabulation analysis and analysis of variance.

Table 1: List of Online Brand

Shopping Sites	Hotel Booking Sites
www.shopatvelvet.com	www.agoda.web.id
www.cottonink-shop.com	www.booking.com
www.kidnapped-ally.com	www.hotelwide.com
www.store.co.id	www.hostelworld.com
www.tokobagus.com	www.hostelbookers.com

4. Result and Analysis

4.1. Demography Influence to Frequency of Visiting Online Brand Shopping Sites

Table 2: Demography Influence to Visiting Shopping Sites

Nominal	Frequency of Visiting Shopping Sites			Sig.
	X ²	Phi		
Gender	28.953	0.278		0.000
Occupation	34.268	0.303		0.000
Domicile	17.390	0.216		0.001
Ordinal	Frequency of Visiting Shopping Sites			Sig.
	Kendall's tau-b	Kendall's tau-c	Gamma	
Age	0.172	0.114	0.344	0.000
Outcome	0.076	0.062	0.120	0.097

Based on Table 2, all the measurement categorized as nominal which is gender, occupation, and domicile are significantly influence respondent's online brand behavior on visiting shopping sites. Besides in the ordinal category, there is one variable that proven as not significantly influence respondent's online brand behavior on visiting shopping sites, the variable is outcome. There is no relationship between

respondent's monthly expense and their desire to visit online brand shopping sites. People will visit online brand shopping sites when they want to buy products or when they explore the internet or sites.

4.2. Demography Influence to Frequency of Visiting Online Brand Hotel Booking Sites

Table 3: Demography Influence to Visiting Hotel Booking Sites

	Frequency of Visiting Hotel Booking Sites		
	X ²	Phi	Sig.
Gender	10.342	0.166	0.016
Occupation	136.069	0.603	0.000
Domicile	10.942	0.171	0.012
	Frequency of Visiting Hotel Booking Sites		
	Kendall's tau-b	Kendall's tau-c	Gamma
Age	0.345	0.122	0.747
Outcome	0.210	0.092	0.532

Based on Table 3, all of the variables have significant influence to respondent's desire to visit online brand hotel booking sites as all the significant value is less than 0.05. Online brand hotel booking sites have to specifically target its market because not everyone will visit the website and do the purchase. The producers have to concern of demography aspects.

4.3. Demography Influence to Brand Equity

Table 4: Demography Influence toward Online Brand Equity

	Awareness					Perceived Quality			
	Mean Square		F	Sig		Mean Square		F	Sig
	Between Groups	Within Groups				Between Groups	Within Groups		
Gender	9.597	0.977	9.824	0.002	Gender	9.315	0.978	9.528	0.002
Age	2.683	0.991	2.707	0.068	Age	5.350	0.977	5.479	0.005
Occupation	4.124	0.975	4.231	0.006	Occupation	4.652	0.970	4.794	0.003
Domicile	0.011	1.003	0.011	0.916	Domicile	1.221	0.999	1.222	0.270
Monthly Expense	4.223	0.965	4.376	0.002	Monthly Expense	4.047	0.967	4.185	0.003
	Value Associations					Brand Equity			
	Mean Square		F	Sig		Mean Square		F	Sig
	Between Groups	Within Groups				Between Groups	Within Groups		
Gender	10.261	0.975	10.523	0.001	Gender	5.385	1.654	3.255	0.072
Age	2.330	0.993	2.346	0.097	Age	1.569	1.665	0.942	0.391
Occupation	2.953	0.984	3.000	0.031	Occupation	7.353	1.618	4.544	0.004
Domicile	2.347	0.996	2.356	0.126	Domicile	5.252	1.655	3.174	0.076
Monthly Expense	1.467	0.995	1.474	0.209	Monthly Expense	1.675	1.664	1.007	0.404

Table 4 shows the influence of demography factors toward online brand equity which in this research influenced by awareness, values associations, and perceived quality. Awareness is significantly influenced by gender, occupation, and monthly expense. This shows that different gender has different perception that create attitude toward an online brand. Usually, female shoppers will quickly recognize every brand they know, but male shopper only recognize the brand they used or associated with their hobby. Awareness also affected by occupation and monthly expense as the value of a brand shows different level of brand image and reputation. Value associations significantly influenced by gender and occupation since with the higher level of jobs, consumer tend to associate the brand with prestige. Perceived quality is significantly influenced by gender, age, occupation, and monthly expense. Those factors show that it associated with consumer's environment (friendship, working partner, etc) that creating perception of what would they perceived from the online brand. Brand equity significantly influenced by occupation which become the only demography factor since the indicator that measure brand equity demanding sacrifices from consumers regarding price increases and their willingness to buy, that's why it is the level of job that affecting brand equity of an online brand.

4.4. Demography Influence to Online Purchase Intentions

Table 5: Demography Influence toward Online Purchase Intentions

	Online Purchase Intentions			
	Mean Square		F	Sig
	Between Groups	Within Groups		
Gender	15.506	0.961	16.135	0.000
Age	5.411	0.976	5.543	0.004
Occupation	3.847	0.977	3.938	0.009
Domicile	3.495	0.993	3.519	0.061
Monthly Expense	2.815	0.980	2.871	0.023

Table 5 shows that online purchase intention is significantly influenced by gender, age, occupation, and monthly expense. Domicile become the only demography factor that doesn't has any influence to online purchase intention because online purchasing activity doesn't require consumer to visit the store to seeing and choose the product they would like to buy, but consumer only ask to explore the sites and buy everything they like or needs. Therefore, consumer's intention to buy didn't affecting by domicile as intention to buy could define as an online shopper's purpose in performing a search at a search engine like Google. It is a measure of how serious the shopper is to actually make a purchase at the time he/she performs the search. Consumers who immediately type the sites of an online brand show that they have serious intention to buy the products/services, besides consumer who search at a search engine probably seeking for references toward the products/services.

4.5. Demography Influence to Loyalty

Table 6: Demography Influence toward Loyalty

	Loyalty			
	Mean Square		F	Sig
	Between Groups	Within Groups		
Gender	5.136	0.989	5.194	0.023
Age	4.569	0.981	4.659	0.010
Occupation	4.389	0.973	4.513	0.004
Domicile	0.736	1.001	0.735	0.392
Monthly Expense	2.750	0.981	2.804	0.026

In the scope of online brand, which there are so many brand that offer similar product with the same purchasing procedure, consumer loyalty become very important in order to survive in that tight competition. Table 6 shows that loyalty is significantly influenced by gender, age, occupation, domicile, and monthly expense. Gender differences in loyalty shows how much important a brand is for male and female make preferences. As stated before, male might loyal to the brand that they used for a long time or associate with their hobby. Besides, female might be loyal to the brand who could fulfill their demand and suitable for them, they will make constant repurchasing to the brand. Different group of age shows how consumer made their decision on purchasing online brand and therefore affecting their loyalty toward online brand, younger buyer could made decision quickly, but older buyer could consider the option carefully. Occupation shows that different level of jobs has different attitude toward an online brand. For example, workers usually has their comfort brand that offers office uniforms and definitely would constantly repurchase the brand, and college students that don't have any uniform and have wide option of brand probably has a low level of loyalty toward an online brand. The last demography factor is monthly expense. This factor has an effect because the ways consumer spend their money have close links to how they shop, whether the product is primary or secondary needs.

5. Conclusion

Online brand behavior is affected by demography factors. There are five demography factors measured in this research which are gender, age, occupation, domicile, and monthly expense. Those factors influence toward online brand behavior is measured of it influences to brand equity which measured by awareness, value associations, and perceived quality as brand equity is the core of a brand that show consumer

willingness to buy the products/services offered. Also, the demography factors influence measured to online purchase intention and loyalty that show consumer agreement to make repurchase with the online brand.

Among the five factors, domicile doesn't have any significant influence to the measurement of consumer's online brand behavior. As stated before, online purchasing activity doesn't require consumer to visit the store to seeing, touch it, check the quality, and then decided which product they would like to buy, but consumer only ask to explore the sites and buy everything they like or needs. Therefore, online brand behavior in term of brand equity, online purchase intention, and loyalty didn't affecting by domicile as intention to buy could define as an online shopper's purpose in performing to search the product/service in search engine or visiting the online brand sites.

Demography factors certainly have an effect to consumer's frequency of visiting online brand sites, especially to online brand hotel booking sites as the result show significant measure which is below 0.05 as the significant standard. It shows how important for producer to target the market clearly since online purchase is very difficult to classify and therefore require a proper strategy to perform. Producer also has to create and maintain a good relationship with their consumers in order to become an online brand that continues to survive in the competition.

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