

THE IMPACT OF ADVERTISING TOWARDS BRAND IMAGE AND PURCHASE INTENTION: THE CASE STUDY OF MATAHARIMALL.COM

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Abstract: The purpose of this study was to determine whether the advertising impacts brand image and purchase intention. This study used purposive sampling because it is adaptable and suited to the research objectives. The validity and reliability had been tested. Hypothesis testing used Structural Equation Modeling. The results were (1) advertising (X_1) has an effect on brand image (Y_1) with the value of Critical Ration brand image is 5.776 with a probability of less than 0.05, (2) advertising (X_1) have no significant effect on purchase intention (Y_2) with Critical Ration value of -1.052 and a probability 0.293, and (3) brand image (Y_1) has an effect on purchase intention (Y_2) with the value of Critical Ration of 4.174 and a probability value of less than 0.05.

Keywords: advertising, brand image, purchase intention

1. INTRODUCTION

In the era of globalization, the world has brought change in many areas of life, including how the development of information and communication technology plays an important role in development. As social beings, every human need information as an aspect of life. The need for information to is fulfilled through a variety of ways, either through a process of interaction with others or by seeking information through the media. The communication process is the process of delivering a message, either in the form of information, attitude, or

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emotion of the communicator to the communicant through media that produce effects and feedbacks.

Information technology has brought a change of behavior in society and human civilization, globally. The development of information technology has made the world borderless and has caused immediate significant social changes. One of the most affected areas of technological development is the economic field. The era of globalization has changed the conventional economic system into a system of digital economy. With a system of digital economy, people who dabble in the world of business can make transactions via the internet, because it offers ease, speed, and efficiency, also because the communication technology enables the fulfillment of the need for information without having to meet (face to face), but simply through the media. One of them is through the electronic media, namely the Internet. Internet as a medium of information and electronic communication have many been used for various activities, such as to roam (browsing, surfing), to search for data and news, to send messages via e-mail, and to trade.

Trading activities conducted on the internet is now more common in society and has changed the mindset of people about the business establishment. People now do not need to make an attempt at real stores, because they can create an online store which do not need a lot of money. It certainly gives a good impact on the pattern of human life, including interaction patterns in trading (buying and selling) related to business transactions. The internet is currently widely used by marketers to offer or sell products or services of their business. Meanwhile, the benefits for consumers for using the Internet is helping consumers discover various kinds of products or services offered or needed. Trading activities using the internet media is better known as electronic commerce or e-commerce. E-commerce has brought an important role for the growth of national and international economy, by creating a different form of service than a regular store which can be trusted by consumers.

Indonesia has continued to follow the trend in development and the world of fashion and has become one of the references in the world's fashion trend of this era as well as becoming a country with an increasing number of online fashion stores. The phenomenon in Jakarta, the Capital City of Indonesia, where it is now starting to intensively experience online sales of fashion, gadgets,

medicines, daily necessities, and up to transportation services (*GOJEK*) which all lead to the practicality and efficiency, This, of course, can lead to high interest in the purchase of the consumer. However, the purchase of consumer interest in e-commerce is often influenced by various factors.

Many online shoppers are attracted to the ease and convenience that shopping via the Internet can provide (Shang, Chen, & Shen, 2005). First of all, the price difference it offers compared to offline shops. The most significant difference that market can identify and relate to is in the price of the products. Much of the conventional wisdom and some theoretical work has focused on the potential for e-commerce to reduce prices (Ethan Lieber & Chad Syverson, 2010). This significant difference is caused by several factors, such being able to reduce a lot of the cost that real shops have. Additional costs such as decoration cost, equipment maintenance cost, electricity cost, shop tax, and anything else influencing the large amount of cost.

Aside from that, online shops reduce many employment needs as no shop attendants are needed as well as cashiers. This can affect the cost that needed to put up a store. Luckily, the internet has made the lives of sellers a little bit better in terms of setting up a business by cutting all of these costs down. Thus, the price difference and the cost cutting budget are the two most significant differences aside from the advantages of online shops.

Customers these days are very pampered with online shopping applications, in which these apps provide the opportunity to choose the things we want and doing the payment transaction easier. Not only that, the ordered things that we have purchased through the shopping application or the website are going to be sent directly to our preferred destination without having us travel by car or getting stuck in traffic trying to get the things we want. Therefore, with the online shop getting more popular and reliable, the shopping lifestyle consumes lesser energy and time to get the things we want.

The second advantage of buying things online is the clear explanation and reviews. Online shopping websites provide clear description of the products alongside reviews from previous buyers in the comments section. This way, customers or first-time buyers can evaluate the product quality by matching the explanations given by the website and the reviews given by previous customers.

Also, most online shopping websites offer refund options in case the goods purchased do not satisfy the customers.

Lastly, the online shopping websites offer various sections of products that might interest customers, putting them in different categories. For example, one website can sell clothing, as well as kitchen tools, up to kids' toys. Because of this website feature, customers take less time and energy to shop from one category to the other category, rather than having to run to different offline shops to find all the needed things, as well as opening different websites for different products. This makes the whole shopping lifestyle more efficient and effective.

One of the most famous offline stores in Indonesia is Matahari Department store. With the company vision "To be Indonesia's Most Preferred Retailer", PT Matahari Department Store Tbk. is Indonesia's largest department store retailer of fashion apparel, beauty products, and home products. With a network of over 1,200 local suppliers as well as international suppliers developed over its 55-year history, Matahari provides the growing Indonesian middle classes with the latest in fashion trends, modern and well-appointed stores, and a physical presence in over 66 cities in Indonesia, and now they have 142 outlets. Matahari department store also saw a business opportunity in the online shop, which has increased drastically in this era of globalization. The reason Matahari Department Store becomes the first choice by the middle class customers is because the price of goods in Matahari Department Store is relatively affordable and the quality is good enough compared to the competitors such as Sogo, Centro, Ramayana, and Metro, making Matahari Department Store the ruler of the middle class market.

Thus, in this increasingly competitive market, PT. Matahari Department Store Tbk decided to expand its shop to the online world. On 9 September 2015, Mataharimall.com, an e-commerce site belonging to Lippo Group had finally been officially launched. By pocketing the investment of 500 million dollars, or about Rp.7 Trillion, they targeted to grow into an e-commerce economic driver for Indonesia. MatahariMall.com is one of the largest e-commerce in Indonesia. They provide more than hundreds of thousands of products at the best prices from all needs, ranging from women's fashion, men's fashion, health & beauty, phone & tablet, laptop, gadget, electronics, lifestyle, hobby, household, and others. They offer ease to the customer, providing inter-bank transfers, credit cards with 0% installment, COD (cash on delivery), and the O2O system (online-

to-offline). MatahariMall.com is the online retailer's first in Indonesia to adopt the system of shopping "O2O" (online-to-offline), which allows the customer to pay, take and return the product at hundreds of branches across the Matahari Department Store network in Indonesia.

Matahari as a newcomer to the online shop world are now up for head-to-head competition with the rest of the popular online shopping websites. What will be paid attention to by the customers is obviously the quality of the service given to them and how easily accessed are their websites. This makes all the online shop objectives customer oriented. Thus, it can be said that customer satisfaction is the supporting factor for the life of the company, and that is correlated with their Advertising efforts.

Nowadays, advertising affects more and more in our lives, as we can see advertised everywhere such as: televisions, newspapers, radio, buses, and many physical places in our city. They support the kinds of products to Achieve Reviews with their high sales and help them to easily touch the customers.

However, in other cases sometimes they overstate the truth and they confuse the customers, so once or twice we will buy products, but they do not have quality as advertised, which is bad. This makes us lose trust with the products of that company. For example, in the past mataharimall.com made a massive promo where the advertising products were said to be discounted to up to 99%. Unfortunately, in fact, it received a lot of complaints stating that these items are just nonsense, having so many items written as sold-out, especially on goods discounted up to 99%. The customer would then feel dissatisfied towards mataharimall.com and the brand image will thus decrease.

According to the statement above, using advertisement is the best way to present our products to customers, as what many kinds of businesses have done before. As it is mutually beneficial, giving more information about products to the customers to help them compare and choose products easily. However, the market management offices should find the appropriate method to control the information in advertising, reviewing these jobs will force the company to pay more respect to customers and help our country to have a good market environment to attract more investors.

In modern life, the company have many ways to improve their sales, but the company should choose the proper method so for the long life of a product, the

company should tell the truth and do the right thing. That will then make the company strong in business and pride themselves in what did they do. Aside from that, enterprises should strive to maintain low price sensitivity in order to lower consumer behavior in seeking price preferential treatments, and thus enhance their profitability (Shankar and Krishnamurthi, 1996). Factors leading to increasing price tolerance include increased customer satisfaction and higher commitment of customers. This is why Matahari is famous for its middle class quality with their relatively affordable price range, which helps the customer enhance their life quality by offering good products at an affordable price range, and also make sure the service given to the customers leaves a good experience for the customers to remember.

People begin to see how online shopping can give many benefits, from very diverse goods, saving time and effort, not having to stand in line in a store, and other things that make online shopping easier to do. Although online shopping also has some disadvantages due to a lot of news about fraud committed by online stores. So online stores should maintain and improve the good brand image in society, so it can create a high perception of value and can lead to consumer purchase decision. Therefore, this matter becomes the main attention for offline stores, as many offline stores which previously only focused on offline or direct marketing process are starting to hunt for an emerging online marketplace or at least try to keep the existing market from switching to online stores that sells the same product.

Indonesia is recognized as experiencing growth in online trade in recent years, in line with the increasing development of information technology infrastructure, such as internet and smartphones. The annual report of 2014 stated that with the number of internet users reaching 82 million people or about 30% of the total population in Indonesia, electronic trading market is very tempting for some people who can see its potential. This growth is supported by data from the Minister of Communication and Information which states that the value of e-commerce transactions in 2013 had reached Rp130 trillion. However, until now in Indonesia there is no exact data on how many online stores exist.

Based on the explanation above, the problem statement are: 1) to find if Advertising of MatahariMall.com gives an influence towards the Brand Image; 2) to find if Advertising of MatahariMall.com gives an influence towards the

Purchase Intention; and 3) to find if Brand Image have any positive relationship with the Purchase Intention in MatahariMall.com

2. LITERATURE REVIEW

2.1 Advertising

Advertising is any form of non-personal presentation and promotion of ideas, goods or services by a specific sponsor to be paid (Kotler & Keller, 2010). If the company wants to maximize the sales figures, the company will conduct a campaign in a way to advertise on television, printed media, radio and others. In order for the process to obtain marketing benefit the entire community, traders and consumers alike must understand and practice an ethical behavior which means that consumers cannot be forced to purchase the goods/services they do not need (De Mooij, 2013). Marketers sometimes try to influence consumers to buy what they do not need. Usually, after realizing that they do not need a product that has been purchased, they will not use, will store or give the item to others. As a result, any product image in the consumers' point of view is concerned and will affect the sales of products in the future.

Ads not only attract customers but can also make the products of a company survive in the market in a sufficiently long time. However unfortunately, there are a lot of advertising or promotion at the expense of the purchaser, and therefore arise the need for promotion and marketing ethics.

According to Kotler and Keller (2009: 202): "advertising is all forms of paid on non-personal presentation and promotion of ideas, goods or services by the sponsor. Advertising can be an effective way in terms of cost to distribute messages, both with the goal of building brand preference or educate people."

Ads can be classified according to its purpose, which are to inform, persuade, remind, or reinforce: advertising information, advertising persuasion, advertising reminders, and advertising amplifiers. Successful advertising is inseparable from the selection of appropriate media. Media which can be used by major companies, among others: newspapers, television, radio, magazine, bulletin, brochure, phone, and the internet. The advantage is the high selectivity, the interactive possibilities, and the relatively low cost. The only limitation is how the number of a relatively new media users are low in some countries.

2.2 EPIC Method

The essence of repositioning or launching a successful product is a new idea - a concept or message that is motivating consumers and relevant to their needs. The concept or message can work in some way related to the consumer, but experience suggests that (AC Nielsen, 2000) a successful concept will be: (1) stimulating the empathic response makes consumers feel bound personally; (2) persuade consumers to take action, or at least want to investigate the concept in more depth, (3) has the impact or at least a level of uniqueness; and (4) communication, articulated clearly (at least covers one of the advantages of relevant products and as expected).

Effectiveness of advertising associated with the sale can be known through research on the impact of the sale. While the effectiveness of advertising related to recall and persuasion can be known through research on the impact of communication.

Various models were created to measure advertising effectiveness. The model is a simplification of something that is capable of representing a number of objects or activities. In measuring the effectiveness of advertising, used a model with consideration of consumers live in a complex environment, so that consumer behavior is very complex.

2.3 Brand Image

Brand image is an association active in memory when one thinks of a certain brand (Shimp, 2010). Brand image can be interpreted as the perception of the brand as reflected by the brand associations held in consumer memory. Brand image consists of the knowledge and confidence of consumers on the brand. Consumers who have a positive perception of a brand, meaning that the brand has a strong message as compared to a competitor's brand message.

Another understanding of the brand image is a set of beliefs about certain brands (Meenaghan, 1995). While understanding the brand image according to (Rangkuti, 2009) is a set of brand associations formed in the minds of consumers. Consumers who are accustomed to using certain brands tend to have consistency with the brand.

Shimp (2010) mentioned that some dimensions of the brand image consist of: sincerity, excitement, competence, and sophistication.

2.4 Purchase Intention

Purchase intention can be interpreted as the likelihood that the consumer will make the purchase of certain products. Also, it can also be interpreted as a plan from the consumer to make an effort in buying a product. The willingness of customers to buy has a higher probability, even if a customer is not necessarily really in need of it. Purchase intention is determined by the benefits and value perceived by the consumer (Wang and Tsai, 2014).

Purchase intention can also be interpreted as consumers preferring to buy products or services because they feel that need for the product or service (Madahi and Sukati, 2012). Jaafar and Laalp (2013) explained that the purchase intention is the use of an effective tool in predicting the buying process. Consumers' decision to buy a product in a particular store is based on impulse because their intentions.

According to Rahman et.al (2012), purchase intention can be measured using the following indicators: 1) the willingness of consumers to make purchases; 2) the desire of consumers to make purchases in the future; and 3) the desire of consumers to make repeat purchases.

According to Shah et al (2012), purchase intention is determined by consumer attitude towards brands of items to be purchased (attitude towards brands). In choosing a brand, consumers evaluate by comparing several brands that meet their criteria and are considered to meet the needs and desires of consumers.

2.5 Advertising Influence Toward Purchase Intention

According to Ajzen and Fishbein (2011) there are evaluation attitude, emotional feeling, and the tendency of actions that are favorable or unfavorable, lasting from a person against some object or idea. Advertising show the attitude of consumers and the overall attitude towards the format of the ads displayed. Included in attitudes toward advertising is one person's opinion on the conve-

nience or inconvenience received by a person on the ad and also an overall attitude of consumers towards advertising. Influence or impact according to Du Plessis (2013) refers to the ability to control the process of advertising the viewers perception to overcome public indifference, grab attention, maintain interest, and infuse products with strong retention. Some of the factors that influence the impact is the concern, understanding, and acceptance of the audience to the messages conveyed through media.

2.6 Advertising Impact Towards Company Image

Advertising in various mass media are basically trying to attract the attention of the audience by offering the advantages of each of its components. That must be considered by the advertisers that each component of the ad will be used as a “weapon” to attract the attention of consumers and thus really be expected to form a good image that their brand would be a good brand. Image is one effective way in attracting consumers, because consumers consciously or unconsciously will choose a product that has a positive brand image, so as to create a good perception in the eyes of consumers, and would affect consumers in the purchase decision process that can ultimately create loyalty to a brand-specific product.

According to Algesheimer, Dholakia, and Herrmann (2013), the brand image consists of the knowledge and belief of the nature of the brand, the consequences of the use of the brand, and proper utilization, in addition to evaluation, feelings, and emotions in relation to a brand. Advertising influence to the brand image was expressed by Akaka and Alden (2013) as: “Processing referring to immediate responses to elements of an advertisement that occur during exposure to that ad. Appropriate processing responses have to occur in order to establish or maintain communication effect, which are enduring responses associated with the brand image”. According to this statement, the presence of the television ad impressions will lead to a response from the community, where they could be in the form of brand associations in his mind to produce a good brand image.

Speaking about the company’s image, there has been a lot of understanding of the company’s image among experts and practitioners of corporate commu-

nications. Company image is often interpreted as the image of the word ‘identity’ or ‘reputation’ or in a narrower sense defined as internal perception of a company which is believed by the employee. Consumers who perceive the company as a company with a good image would be compelled to purchase products from these firms (Yau O.H.M, 2013). Image is described as a network of meaningful hierarchy stored in memory ranging from holistic general impression to the elaboration and evaluation of the object related to the sense of personal value of the individual (Individual personal values). Corporate image shaped by various factors of image (Kotler and Keller, 2010), such as Corporate Social Conduct, Corporate Contribution Conduct, Corporate Employees Conduct, Product, Communications, Price, Support, Services, Distribution channels, sales forces, and Company Business Conduct. Communication here includes advertising, other consumer activities such as sales promotion and consumer program. Based on the studies described above, the variable of company image in this study is the Brand Image.

2.7 Advertising Impact Towards Brand Image

Brand is one important factor in marketing as activities to introduce and offer a product or service is inseparable from the brand stamped on products, showing that the brand made a difference between one product with another product, therefore the management of the brand on a product must be made. Managing a brand is to create an association to such marks so that a product or brand can be embedded in the minds of consumers with a positive image. A good brand image is one of the assets for the company, because the brand image has an impact on every consumer perception, where the public will have a positive image of the brand. It is also an attempt to make the product or brand has a strategic position in the market, has a longer product brand life cycle, and can compete better in the market.

Brand image can be considered as a kind of association that arise in the minds of consumers when considering a particular brand. The association can simply appear in the form of a certain thought or image that is associated with a brand, just as when we think about other people. This association can be conceptualized by type, support, strength and uniqueness. According to Yi Zhang

(2015), the brand image is the perception of the brand as a reflection of consumer associations of the brand. The company's image means that the public perception of its corporate identity. This perception is based on what people know or think about the company concerned. Therefore, the same company may not necessarily have the same image in front of other people. Brand image presented the overall perception of a brand and formed from information and past experience to the brand. The image of the brand associated attitudes to the beliefs and preferences of an ordinary brand. Consumers using a specific brand tend to have consistency to the brand image, and this is called the brand personality. From some understanding of the above, it can be seen that the brand image is a set of associations perceived by consumers against certain brands.

Brand awareness or brand awareness is the first step to building a brand product. Most important aspect of brand awareness is a form of information in the memory in the first place. A point memory brand awareness is essential before brand association can be formed. Brand awareness is defined in terms of the ability of the consumer to associate a brand with the product category. Brand awareness involves a process start feeling familiar with the brand until it's certain that the brand is the only one in the class of specific products or services. In this case, if a brand has been able to seize a place that remains in the minds of consumers it will be difficult for the brand "Top of Mind" brand / top of mind: that is the first brand in mind.

2.8 Brand Image Towards Purchase Intention

Interest in the purchase is the tendency of consumers to purchase a brand or take action related to the purchase, which is measured by the level of likelihood of that consumer to make purchases. According to Barber (2013), interest in the purchase is a consumer behavior that emerged in response to the object that indicates the desire of customers to make a purchase. Psychological factors that affect a person's purchase consists of the following four factors: motivation (encouragement for someone to act in order to satisfy their needs so as to reduce the tension they possess), perception (the process of an individual to choose, organize, and interpret the inputs to create a picture that is meaning-

ful), knowledge (learning involves a change in one's behavior arising from experience), as well as the confidence and conviction that can be obtained by a person through acting and learning. Motivation as a power boost from within the individual which forces them to take action. If a person has high motivation towards a particular object, then he will be compelled to behave in relation of the product. Conversely, if motivation is low, then he will try to avoid the object in question. The implication in marketing is the possibility of the person interested in buying a product or brand being offered through marketing.

3. RESEARCH METHODS

3.1 Results

Descriptive explanation in this research begins with a description of research subjects regarding the characteristics of respondents as research subjects. The analysis technique is used to describe the data descriptively by interpreting the result of data processing through frequency tabulation to describe data tendency. Based on the results of the questionnaires that have been collected, an analysis is conducted based on the results of quantitative calculations useful to be discussed regarding the research problems and also to reveal the tendency of respondents in relation to the influence of advertising on brand image and purchase intention at Mataharimall.com.

Based on the dissemination of as much as 125 sheets of questionnaires, data yielded is in the form of information about the characteristics of respondents concerning age, job position, and income. Details about the descriptive results of each respondent characteristics are described below:

Table 1 Description of Age

Age	Total	Percentage
17-22	35	28
23-28	69	55
29-34	15	12
>34	6	5
Total	125	100,0

Based on Table 1, the results of research conducted on 125 respondents regarding age states that 35 respondents with 28% percentage are of age 17–22, 69 respondents with percentage of 55% are of age 23–28, 10 respondents with percentage of 12% are of age 29–34, and 6 respondents with percentage of 5% are of age >34. Based on the result of the research, it can be concluded that most of the respondents are aged 23–28, which are 69 people with a percentage of 55%.

Table 2 Description of Job

Job	Total	Percentage
Private Employee	50	40
Government Employees	5	4
Entrepreneur	29	23
Student	11	9
etc.	30	24
Total	125	100,0

Based on Table 2, the results of research conducted on 125 respondents regarding job states that 50 respondents with 40% percentage are Private Employees, 5 respondents with percentage of 4% are Government Employees, 29 respondents with percentage of 23% are Entrepreneurs, 11 respondents with percentage of 9% are Students, and 30 respondents with percentage of 24% are from other occupations. Based on the result of the research, it can be concluded that most of the respondents are Private Employees, as much as 50 people with a percentage of 40%.

Table 3 Description of Income

Income	Total	Percentage
<Rp.1.000.000	12	10
Rp.1.000.000–Rp.2.500.000	20	16
Rp.2.500.000–Rp.4.000.000	44	35
Rp.4.000.000–Rp.6.000.000	26	21
>Rp.6.000.000	23	18
Total	125	100,0

Based on Table 3, the results of research conducted on 125 respondents regarding income states that 12 respondents with 10% percentage earns <Rp.1.000.000 a month, 20 respondents with a percentage of 16% earns between Rp.1.000.000–Rp.2.500.000 a month, 44 respondents with a percentage of 35% earns between Rp.2.500.000–Rp.4.000.000 a month, 26 respondents with a percentage of 21% earns Rp.4.000.000–Rp.6.000.000 a month, and 23 respondents with a percentage of 18% earns >Rp.6.000.000 a month. Based on the result of the research, it can be concluded that most of the respondents earns Rp.2.500.000–Rp.4.000.000 income per month, which are 44 people with a percentage of 35%.

Table 4 Description of Mataharimall.com

Where do you know Mataharimall.com?	Total	Percentage
Internet Advertising	65	52
Social Media	57	45
Television	29	23
Billboard	11	9
etc.	5	4
Total	167	133,0

Based on Table 4, the results of research conducted on 125 respondents regarding knowledge of the company states that 65 respondents with 52% percentage knows from internet advertising, 57 respondents with a percentage of 45% knows from social media, 29 respondents with a percentage of 23% knows from Television, 11 respondents with a percentage of 9% knows from billboards, and 5 respondents with percentage of 4% knows from other sources. Based on the result of the research, it can be concluded that respondents know the most from internet advertising, which are 65 people with a percentage of 52%.

Table 5 Description of Mataharimall.com

How many times you make purchase on Mataharimall.com?	Total	Percentage
1	65	52
2–5	50	40
>5	10	8
Total	125	100,0

Based on Table 5, the results of research conducted on 125 respondents regarding times of competitor states that 65 respondents with 52% percentage shopped only 1 time, 50 respondents with a percentage of 40% shopped 2–5 times, and 10 respondents with a percentage of 8% shopped >5 times. Based on the result of the research, it can be concluded that the majority of respondents only shopped 1 time in Matharimall.com with a percentage of 52%.

Table 6 Description of Mataharimall.com

Online shop that you use beside Mataharimall.com?	Total	Percentage
Lazada	70	56
Tokopedia	72	58
Bukalapak	25	20
Kaskus	9	7
Total	176	141,0

Based on Table 6, the results of research conducted on 125 respondents regarding competitors states that 70 respondents with 56% percentage uses lazada, 72 respondents with a percentage of 58% uses tokopedia, 25 respondents with a percentage of 20% uses bukalapak, and 9 respondents with a percentage of 7% uses kaskus. Based on the result of the research, it can be concluded that most respondents also use tokopedia, as much as 72 people with a percentage of 58%.

Respondents’ answer to advertising may vary from one respondent to another. Sometimes there are respondents who feel that the company’s advertising is pretty good and sometimes there are respondents who feel that the advertising is not good enough. Results of respondents’ answers about advertising are as follows:

Table 7 Perception of Respondents Against Advertising Variables

Questionnaire	Score			
	1	2	3	4
Advertising				
1. I enjoy Mataharimall.com ads	7	15	77	21
2. Matharimall.com ads offer interesting deals	2	21	69	28

3. Mataharimall.com ads make me want to buy their product	5	29	61	25
4. Mataharimall.com ads have good price offers	3	25	62	30
5. Mataharimall.com ads are enough to make me understand about their product	4	18	69	29
6. Mataharimall.com ads play important role in my product knowledge	7	20	68	25
7. Mataharimall.com ads provide a lot of information in one ad	6	22	70	22
8. The ads are always clear (not confusing)	0	20	72	28
Total	34	170	548	208

Table 7 shows that most respondents answered Agree on the questions of advertising variables with a total value of 548 on the score of 3. The condition shows the impression that advertising has a positive influence on respondents.

Respondents' answers to brand image may differ from one respondent to another. Sometimes there are respondents who feel the brand image in the company is pretty good and sometimes there are respondents who feel that the company's brand image is not good enough. Respondents' answer about the brand image is as follows:

Table 8 Perception of Respondents Regarding Brand Image Variables

Questionnaire	Score			
	1	2	3	4
Brand Image				
1. I believe Mataharimall.com is a trusted online shop	2	7	60	51
2. The ads are always honest	4	21	69	26
3. I am always interested to know what is new in Mataharimall.com	7	31	62	20
4. I am always excited for upcoming promotions	6	26	59	29
5. I am more interested with Mataharimall.com compared to other online stores	9	32	65	14
6. Mataharimall.com has better impression in my opinion	5	26	65	24
7. Mataharimall.com is using the most advanced technology that is currently available in the country	5	30	67	18
8. I find Mataharimall.com easy to use/shop in	1	17	62	40
Total	39	190	509	222

Table 8 shows that most respondents answered Agree on the questions of Brand Image variables with a total value of 509 on the score of 3. The condition shows the impression that Brand Image has a positive influence on respondents.

Respondents' answers to purchase intention may differ from one respondent to another. Sometimes there are respondents who feel the brand image and advertising of the company makes the customer want to buy, sometimes there are respondents who feel they was never interested no matter how many times the advertising company appeared on advertisements. The result of the respondent's answers about purchase intention are as follows:

Table 9 Perception of Respondents Purchase Intention Variables

Questionnaire	Score			
	1	2	3	4
Purchase Intention				
1. I am interested to purchase things on Mataharimall.com	2	20	81	17
2. I am interested to make another purchase on Mataharimall.com	3	22	67	28
3. I consider Mataharimall.com in my future shopping preferences	5	21	78	16
4. Mataharimall.com becomes my number one go-to shopping website	9	34	61	16
5. I am interested to be loyal customer on Mataharimall.com	7	28	69	16
Total	26	125	326	93

Table 9 shows that most respondents answered agree on the questions of purchase intention variables with a total value of 326 on the score of 3. The condition shows the impression that Purchase Intention has positive influence on respondents.

The results of the questionnaires that have been collected are then tested using validity test and reliability test to determine the level of reliability and validity of data collected. This is done also to know whether or not the data is reliable related to the influence of advertising, brand image, and purchase intention on Mataharimall.com. The following table shows the results of validity test and reliability test from advertising, brand image, and purchase intention on Mataharimall.com.

3.2 Advertising, Brand Image, Purchase Intention

Based on the test on 125 questionnaires distributed, data reliability measured using Cronbach Alpha standard value is: 0.7, as seen below:

Table 10 Overall Reliability of Variables

Cronbach's Alpha	N of Items
,952	21

Based on the distribution of 125 questionnaires, the data validity on Advertising, Brand Image, and Purchase Intention is above the standard r table of: 0,1509, as follows:

Table 11 Overall Validity of Variables

Statement	Validity Value	Remarks
X ₁ .1.1	,650	Valid
X ₁ .1.2	,665	Valid
X ₁ .2.1	,750	Valid
X ₁ .2.2	,691	Valid
X ₁ .3.1	,605	Valid
X ₁ .3.2	,730	Valid
X ₁ .4.1	,699	Valid
X ₁ .4.2	,605	Valid
Y ₁ .1.1	,335	Valid
Y ₁ .1.2	,563	Valid
Y ₁ .2.1	,762	Valid
Y ₁ .2.2	,732	Valid
Y ₁ .3.1	,688	Valid
Y ₁ .3.2	,785	Valid
Y ₁ .4.1	,662	Valid
Y ₁ .4.2	,704	Valid
Y ₂ .1.1	,743	Valid
Y ₂ .1.2	,743	Valid
Y ₂ .2.1	,710	Valid
Y ₂ .2.2	,726	Valid
Y ₂ .3.1	,752	Valid

Based on Table 10 and Table 11 above, all items in question for Advertising Variables (X_1), Brand Image Variables (Y_1), and Purchase Intention Variables (Y_2)

have value above r-table: 0,1509 and have Alpha Cronbach coefficient equal to 0.952. Thus, the entire question items for the **Advertising Variables (X_1)**, **Brand Image Variables (Y_1)**, and **Purchase Intention Variables (Y_2)** are valid and reliable. Therefore, researchers can do further testing.

Based on data of calculation result of the validity and reliability tests, further confirmatory factor analysis is needed to see significant influence between advertising, brand image, and purchase intention. Here's a picture of confirmatory factor analysis of advertising, brand image, and purchase intention.

3.2.1 Advertising

Based on the research framework, the advertising variable (X_1) is depicted in the confirmatory factor analysis diagram as follows:

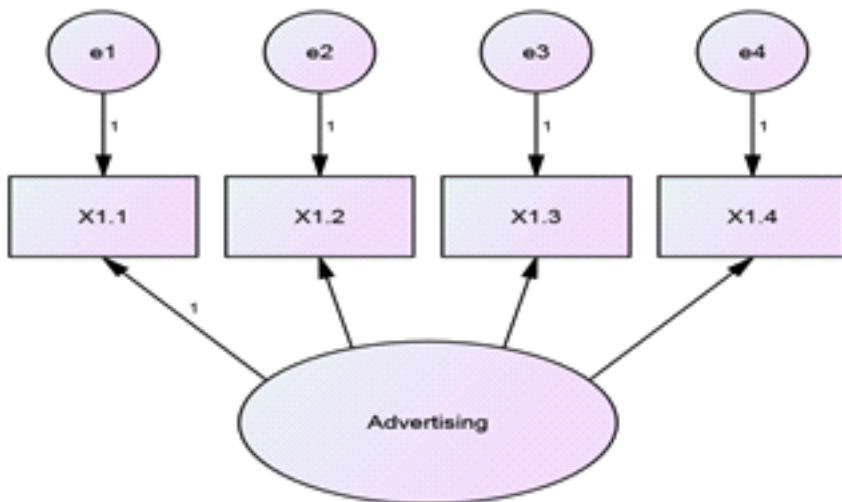


Figure 1 Analysis of Confirmatory Factors in Advertising

Based on Figure 1, the advertising confirmatory factor analysis obtained estimation results listed below:

Table 12 Advertising Estimation

	Estimate	S.E.	C.R.	P	Label
X1.1 <--- Advertising	1,000				
X1.2 <--- Advertising	1,098	,108	10,184	***	
X1.3 <--- Advertising	1,110	,103	10,795	***	
X1.4 <--- Advertising	,934	,092	10,201	***	

Standardized Regression Weights: (Group number 1 - Default model)

	Estimate
X1.1 <--- Advertising	,822
X1.2 <--- Advertising	,823
X1.3 <--- Advertising	,862
X1.4 <--- Advertising	,824

Based on the data in Table 12, the question item for the advertising variable (X_1) average estimated the value of each indicator as follows: X_1 estimation value is 0.822, the estimated value of X_2 is 0.823, the estimated value of X_3 is 0.862, and the estimated value of X_4 is 0.824 . From the data it can be concluded that the highest estimation value is on the X_3 indicator, which is the impact with the estimated value of 0.862. Judging from the calculation of Table 12, the most dominant indicator of advertising between empathy (X_1), persuasion (X_2), impact (X_3), and communication (X_4) is the impact (X_3). It reflects that a customer needs advertising that has an impact from the company.

3.2.2 Brand Image

Based on the research framework, the brand image variable (Y_1) is depicted in the confirmatory factor analysis picture as follows:

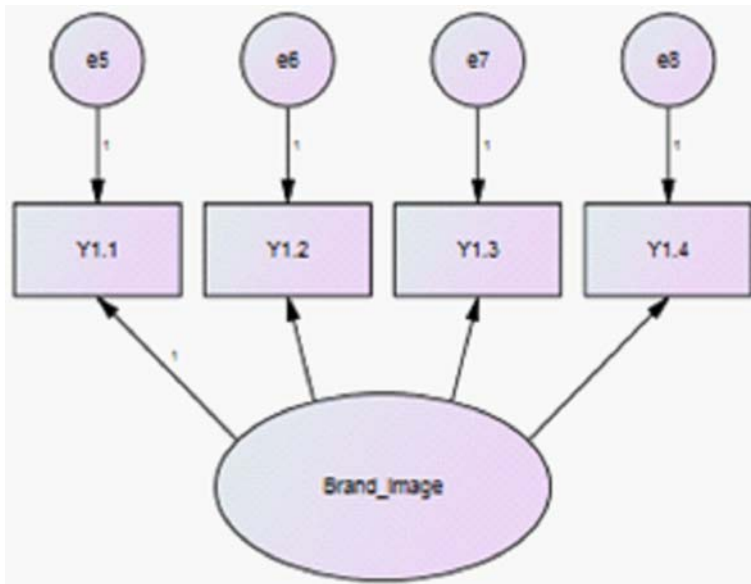


Figure 2 Analysis of Confirmatory Factors Brand Image

Based on Figure 2, the brand image confirmatory factor analysis obtained estimation results, as follows:

Table 13 Brand Image Estimation

	Estimate	S.E.	C.R.	P	Label
Y1.1 <--- Brand_image	1,000				
Y1.2 <--- Brand_image	2,320	,420	5,525	***	
Y1.3 <--- Brand_image	2,158	,394	5,484	***	
Y1.4 <--- Brand_image	1,761	,330	5,335	***	

Standardized Regression Weights: (Group number 1 - Default model)

	Estimate
Y1.1 <--- Brand_image	,487
Y1.2 <--- Brand_image	,903
Y1.3 <--- Brand_image	,876
Y1.4 <--- Brand_image	,809

Based on the data of Table 13, i the question item for the brand image variable (Y_1), the average estimated value of each indicator is as follows: Y1.1 has

an estimation value of 0.487, the estimated value of Y1.2 is 0.903, the estimated value of Y1.3 is 0.876, and the estimated value of Y1.4 is 0.809. From the data it can be concluded that the highest estimation value is on the Y1.2 indicator, which is Excitement, with the estimated value of 0.903. Judging from the calculation of Table 13, between the four indicators sincerity (Y1.1), excitement (Y1.2), Competence (Y1.3), and Sophistication (Y1.4), the most dominant reflecting the indicator of brand image is the excitement (Y1.2). It reflects that customer excitement coming from the brand that has a good public image is so important.

3.2.3 Purchase Intention

Based on the research framework, the Purchase Intention variable (Y_2) is depicted in the confirmatory factor analysis picture as follows:

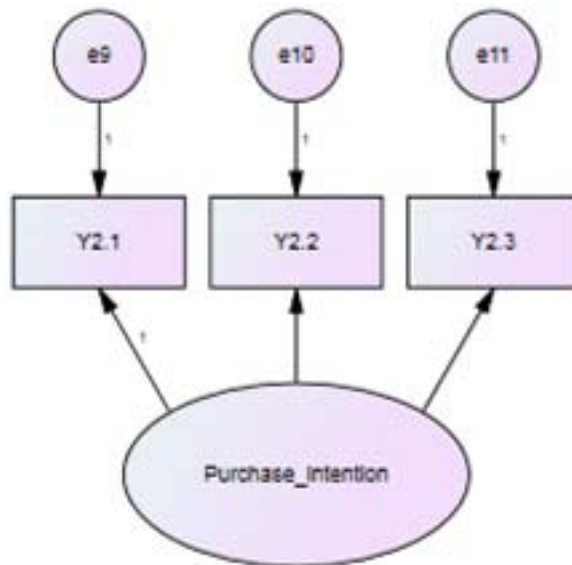


Figure 3 Analysis of Confirmatory Factors Purchase Intention

Based on Figure 3, the purchase intention confirmatory factor analysis obtained estimation results, as follows:

Table 14 Purchase Intention Estimation

	Estimate	S.E.	C.R.	P	Label
Y2.1 <--- Purchase_intention	1,000				
Y2.2 <--- Purchase_intention	1,271	,107	11,831	***	
Y2.3 <--- Purchase_intention	1,271	,116	10,987	***	

Standardized Regression Weights: (Group number 1 - Default model)

	Estimate
Y2.1 <--- Purchase_intention	,816
Y2.2 <--- Purchase_intention	,949
Y2.3 <--- Purchase_intention	,850

Based on the data from Table 14, the question item for the purchase intention variable (Y_2) average estimated value of each indicator is as follows: Y2.1 has an estimation value of 0.816, the estimated value of Y2.2 is 0.949, and the estimated value of Y2.3 is 0.850. From the data it can be concluded that the highest estimation value is on the Y2.2 indicator, which is desire for future purchase with the estimated value of 0.949. Judging from the calculation in Table 14, of the four indicators willingness to make a purchase (Y2.1), desire for future purchase (Y2.2), and desire to make repeat purchase (Y2.3), the most dominant indicator reflecting purchase intention is the desire to make future purchase (Y2.2). It reflects that a company needs to improve their promotion or the system so that customers have a desire to make their next purchase on Mataharimall.com.

Based on data of validity test and reliability test, SEM (Structural Equation Modeling) is tested to see the significant effect between advertising, brand image, and purchase intention. The following is the SEM (Structural Equation Modeling) test image and the estimated value generated from the **Advertising Variables (X_1)**, **Brand Image Variables (Y_1)**, and **Purchase Intention Variables (Y_2)**.



Figure 4 Path Diagram of Advertising, Brand Image and Purchase Intention

Table 15 Regression Weights SEM (Structural Equation Modeling) of Advertising, Brand Image, and Purchase Intention

		Estimate	S.E.	C.R.	P	Label
Brand_image	<--- Advertising	,540	,094	5,776	***	
Purchase_intention	<--- Advertising	-,214	,203	-1,052	,293	
Purchase_intention	<--- Brand_image	1,841	,441	4,174	***	
Y _{2.1}	<--- Purchase_intention	1,000				
Y _{2.2}	<--- Purchase_intention	1,169	,088	13,240	***	
Y _{2.3}	<--- Purchase_intention	1,225	,103	11,951	***	
X _{1.1}	<--- Advertising	1,000				
X _{1.2}	<--- Advertising	1,125	,108	10,399	***	
X _{1.3}	<--- Advertising	1,109	,104	10,716	***	
X _{1.4}	<--- Advertising	,966	,091	10,558	***	
Y _{1.1}	<--- Brand_image	1,000				
Y _{1.2}	<--- Brand_image	2,042	,323	6,328	***	
Y _{1.3}	<--- Brand_image	1,944	,308	6,304	***	
Y _{1.4}	<--- Brand_image	1,637	,266	6,163	***	

Table 16 Regression Weights SEM (Structural Equation Modeling) of Advertising, Brand Image, and Purchase Intention

		Estimate
Brand_image	<--- Advertising	,893
Purchase_intention	<--- Advertising	-,209
Purchase_intention	<--- Brand_image	1,089
Y ₂ .1	<--- Purchase_intention	,853
Y ₂ .2	<--- Purchase_intention	,912
Y ₂ .3	<--- Purchase_intention	,857
Y ₂ .1	<--- Advertising	,810
Y ₂ .2	<--- Advertising	,831
X ₁ .3	<--- Advertising	,849
X ₁ .4	<--- Advertising	,840
Y ₁ .1	<--- Brand_image	,537
Y ₁ .2	<--- Brand_image	,877
Y ₁ .3	<--- Brand_image	,870
Y ₁ .4	<--- Brand_image	,829

4. DISCUSSION

From the data in Table 16, the estimation for testing the relationship between advertising variables (X_1) to brand image variable (Y_1) produces a CR value (Critical Ratio) of 5.776 with a probability of 0. With the probability standard of <0.05 , it can be concluded that advertising variables (X_1) significantly influences brand image (Y_1) variable. This is because advertising variables are affecting brand image variables.

From the data Table 16, the estimation for testing the relationship between advertising variables (X_1) to purchase intention variable (Y_2) produced a CR value (Critical Ratio) of -1.052 with the probability of 0.293. With the probability standard of <0.05 , it can be concluded that advertising variables (X_1) have no significant influence to purchase intention (Y_2) variable. This is because advertising variables are not affecting purchase intention variables because the brand Matahari is already very popular among the people of Indonesia, therefore the purchase intention of society is not significantly influenced by advertising.

From the data Table 16, the estimation for testing the relationship between brand image variables (Y_1) to purchase intention variable (Y_2) produced a CR value (Critical Ratio) of 4.174 with the probability of 0. With the probability standard of <0.05 , it can be concluded that brand image variables (Y_1) significantly influence purchase intention (Y_2) variable. This is because brand image variables are affecting purchase intention variable.

The processes of data analysis and testing that has been done on the three hypotheses. The hypothesis was also examined in accordance with the theoretical justification that has been described in the previous chapters. The three proposed hypotheses have also been tested for the suitability of model by using the criteria Analysis of Confirmation Factor (CFA) and the Analysis Regression Weight.

5. CONCLUSION

Based on the results of the research analysis described in the previous chapter, the following conclusions can be obtained:

1. Advertising variables significantly influence brand image. This is because the estimation results show CR value (Critical Ratio) of 5.776 with a probability of 0 (standard probability <0.05). Hence, hypothesis 1 which stated that there is significant influence between advertising to brand image. So, this means that advertising which are empathy, persuasion, impact, and communication affect the brand image of Mataharimall.com.
2. Advertising variables do not significantly affect purchase intention. This is because the estimation result shows CR value (Critical Ratio) equal to -1.052 with a probability equal to 0.293 (standard probability $<0,05$). Hence hypothesis 2 which states that there is no influence between advertising to purchase intention. So, this means that advertising which are empathy, persuasion, impact, and communication does not affect purchase intention. Since pure advertising variables are only for compliance with marketing standards, they are not variables affecting purchase intention at Mataharimall.com.
3. Brand image variables significantly influence purchase intention. This is because the estimation results show CR (Critical Ratio) value of 4,174 with a probability of 0 (standard probability <0.05). Hence hypothesis 3 which

states that there is significant influence between brand image to purchase intention. So, this means that the brand image of sincerity, excitement, competence, and sophistication affects purchase intention at Mataharimall.com.

Based on the research results and findings, there are several suggestions that the researcher can recommend to the other researchers who might do further researches on similar topics, as explained below

1. Studied companies better not spend the same advertising funds or even greater than their competitors (lazada, tokopedia, zalora) but rather allocate the funds to change the minds of the middle-low class people who are against online shopping to be willing to do online shopping. Therefore, the existing market will be maximized, and the flow of money will be seen. Investors' trust increases and then the company will get a bigger injection of funds. With the larger funding, companies can begin to enter the middle-upper segments by offering massive promotions on products that are in great demand by the middle-upper class. Therefore, the middle-upper segment will be interested to purchase or even become loyal customers of Matharimall.com.
2. The writer of this paper realizes that the questionnaire designed could be more precise and future researchers on similar topics may design more accurate questions to be able to have better results.
3. Future researchers can analyze the same variables, but in a different company.
4. Future researchers may be more specific in the requirements question to proceed to the next section of the question. Thus, the expected results will be more optimized and specific to the actual segment to be targeted.

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