

The Role of Brand Equity on Repurchase Intentions in the Beauty Industry

Cindy Cantika^{1,a)}, Endang Tjahjaningsih^{2,b)}, Rio Widhi Mafaaza^{3,c)}

^{1,3}*Faculty of Economics and Business, Stikubank University, Semarang, Indonesia*

³*Faculty of Business Administration, University of North Malaysia*

a) Corresponding author: cindycntka@gmail.com

b) naning@edu.unisbank.ac.id

c) rio.widhimafaaza@gmail.com

Abstract: This study aims to reveal how product quality and brand equity affect customer satisfaction and how they influence customer repurchase intentions. This study uses descriptive analysis and quantitative analysis. The data used is primary data obtained from collecting questionnaires through the Google form. Data analysis used multiple regression analysis with a sample of 100 respondents and the data was processed using SPSS 24. The population in this study were customers of Azarine sunscreen products in Semarang City. The results of this study state that product quality and brand equity have a significant and significant effect on satisfaction and have an impact on customer loyalty.

Keywords: product quality, brand equity, customer satisfaction, repurchase intention.

INTRODUCTION

The occurrence of global warming causes climate change and an increase in temperature. Excessive exposure to UV radiation causes various causes of skin problems, for example, sunburn and can even cause skin cancer. Prevention steps by wearing closed clothes and using sunscreen when doing activities outside the room. The SPF level needed by human skin for protection from UV rays is 20-30 with use 15-30 minutes before outdoor activities and repeated use every 2 hours.

Azarine is a local Indonesian brand which focuses on the industry beauty, specifically skin and body care. One of Azarine's products that is widely known and used by the public is sunscreen, in the development of the times Azarine continues to innovate and create new products. Sunscreen with a variety of choices according to skin conditions and needs. Azarine is known to have the first rank as the best-selling sunscreen in e-trading from Tokopedia and Blibli with a market share of 20.68% [8]. This shows that the Indonesian people are aware of the Brand Equity of Azarine products and feel the Quality of Azarine products which makes it a Top sunscreen brand.

The large selection of sunscreens on the market requires companies to develop and create products that have more value and quality than their competitors' products [1]. Product quality is the ability of a product to deliver appropriate performance or results, even beyond what the customer wants [2], [3]. For this reason, companies must continuously provide customer satisfaction [4] because as one of the elements to measure product success [5], [6], this is in line with previous research which showed that product quality affects customer satisfaction [10], [17]. However, results were obtained that were inversely proportional to previous research [11] which stated product quality has no positive and significant effect on customer satisfaction.

Brand equity as a positive differential effect when customers know the brand name and then respond to the product or service. When a customer is familiar with the product, has felt the benefits of the product, and is satisfied with the

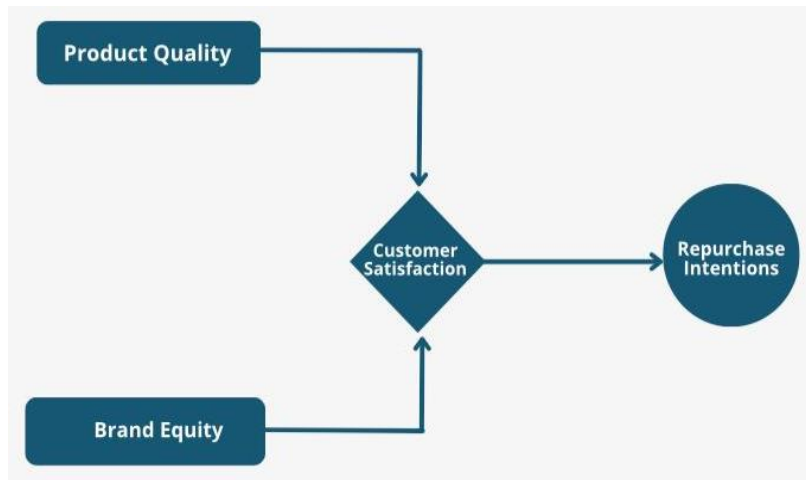
product consumed, it means that the customer is satisfied with the product[7].This theory is in accordance with research conducted [12],[13],[18]that there is a positive and significant influence of brand equity on customer satisfaction. However, it is different from the research conducted by [14] which statedbrand equity does not affect customer satisfaction.

Based on [9] repurchase intention is the customer's willingness to take part in the behavior of purchasing the same service or goods in the future because the level of expectations is fulfilled. Good customer experience leads to future repurchase intentions [19]. Can be proven by research results [15], [19] showed that there was a positive and significant effect of customer satisfaction on repurchase intention, but on the contrary, the results of research [16] showed that satisfaction had a positive but not significant effect on repurchase intention

Research Model

Based on the theoretical review above, it shows that the correlation between variables in this study can be classified into the research model and the multiple linear regression equation as shown in **FIGURE 1**.

Figure 1. The Research Model



a. Model 1

$$Y1 = a1+b1X1+b2X2 +e \tag{1}$$

b. Model 2

$$Y2 = a2+b3Y1+e \tag{2}$$

Information :

Y1 : Satisfaction

Y2: Repurchase intention

b1: Regression coefficient between product quality and satisfaction

b2: Regression coefficient between brand equity and satisfaction

b3: Regression coefficient between satisfaction and repurchase intention

X1: Product Quality

X2: brand equity

e: error

METHOD

This study uses quantitative research with a questionnaire as a data collection tool that is distributed to the people of Semarang city. The population of this study are customers of Azarine sunscreen products in Semarang City. A sample of 100 customers was obtained randomly using purposive sampling using a questionnaire through the Google form. Purposive sampling is a sample collection technique with a certain review, namely customers who have used Azarine sunscreen. Data analysis techniques used instrument test, model test, regression test, and Sobel test using SPSS 24.0 software.

The operational definition of a variable is a description of how a variable will be measured and what measuring instrument is used. The level of consumer satisfaction in using a product is relatively highly influenced by Product Quality and Brand Equity. Indicators of customer satisfaction according to Kotler and Keller (2016) are (1) expectations derived from past purchasing experiences (2) results that match expectations (3) comparison of product differences (4) notification of information about a product that makes customers interested (5) non-conformity, a condition where a product does not match what is expected.

The indicators used in this study raised the indicators put forward by (Tjiptono & Chandra, 2016) by matching the Azarine sunscreen product which includes

1. performance
2. Features
3. reliability
4. Confession to Specifications
5. durability
6. serviceability
7. Esthetics
8. Perceived Quality

Brand Equity Indicators according to (Sitorus, 2015; Kotler & Keller, 2009)

1. Brand Priority
2. Brand Imaging
3. Brand Rating
4. Brand Feeling
5. Brand resonance

RESULTS AND DISCUSSION

RESULTS

Ghozali (2016) suggests that the validity test is an instrument used to measure the validity or validity of a questionnaire. The questionnaire is said to be valid if the statements on the questionnaire can reveal something that is measured by the questionnaire. The validity test was carried out by including 100 respondents. First do the KMO test (Kaiser-Meyer-Olkin) before doing factor analysis, if the KMO value is > 0.50 then factor analysis can be done, (Ghozali, 2011) then to find out whether an indicator is valid or not through the loading factor value, if the loading factor value is > 0.40 then the item in question is declared valid and feasible to be tested, and if the loading factor value is 0.40 then the item is declared valid and the item must be canceled and unfit for testing (see **TABLE 1**).

Based on **TABLE 1** it can be explained that the KMO value on the product quality and brand equity variables is more than 0.5 which means that sample adequacy is fulfilled, so the analysis can be continued. In the validity test stage 1, all indicators of product quality variables, equity are declared valid because the value of the component matrix is > 0.4

Table 1.Validity Test Results

Variable	KMO value	Indicator	Loading Factor	Results
Product quality	0.774	X1.1	0.714	Valid
		X1.2	0.792	Valid
		X1.3	0.810	Valid
		X1.4	0.834	Valid
		X1.5	0.693	Valid
		X1.6	0.510	Valid
		X1.7	0.552	Valid
		X1.8	0.531	Valid
Brand Equity	0.688	X2.1	0.659	Valid
		X2.2	0.671	Valid
		X2.3	0.621	Valid
		X2.4	0.765	Valid
		X2.5	0.806	Valid
Customer satisfaction	0.712	Y1.1	0.643	Valid
		Y1.2	0.824	Valid
		Y1.3	0.795	Valid
		Y1.4	0.697	Valid
		Y1.5	0.586	Valid
Repurchase Intentions	0.759	Y2.1	0.769	Valid
		Y2.2	0.907	Valid
		Y2.3	0.757	Valid
		Y2.4	0.787	Valid

Trust test

The reliability test is a tool used to measure a questionnaire which is an indicator of a variable (Ghozali, 2018). A questionnaire can be said to be reliable or reliable if one's answers to statements are consistent or stable from time to time. The reliability measurement used is a one-time measurement method, then the results are compared with other questions or measure the relationship between the answers to questions. To conduct this research, researchers will use the SPSS application to measure reliability with the cronback alpha (α) statistical test. A variable is said to be reliable if it gives a Cronback alpha (α) value > 0.70 (Ghozali, 2018).

Table 2 Reliability Test Results

Variable	<i>cronbach's alpha()</i> α	Information
Product quality	0.753	Reliable
Brand Equity	0.750	Reliable
Customer satisfaction	0.735	Reliable
Repurchase Intentions	0.766	Reliable

TABLE 2 shows that the product quality variable, brand equity, in the study produced a cronbarch's alpha value greater than the standard alpha, which was 0.7, so that it was declared reliable and further testing could be carried out.

Research Model Test Results

Table 3. Results of Multiple Linear Regression Analysis

Model	Adj. R square	F test		T-test		Information
		F	Sig	B	Sig	
Equation 1	0.331	44,319	0.000			
Product Quality (X1) on Customer Satisfaction (Y1)				0.188	0.000	H1 is accepted
Brand Equity (X2) on Customer Satisfaction (Y1)					0.599	0.000
Equation 2	0.202	26,098	0.000			
Customer Satisfaction (Y1) on Repurchase Intention (Y2)					0.459	0.000

Source: Processed primary data (2023)

Based on **TABLE 3** it is known that the regression coefficients of Product Quality (X1) and Brand Equity (X2) are positive, i.e. showing a significance value of 0.000 < 0.05 which means the model is feasible for further analysis. Testing the coefficient of determination was carried out to determine the ability of the independent variables to explain the dependent variable.

Model 1 shows that the coefficient of determination of Product Quality and Brand Equity is equal to 0.331 shows the ability to explain satisfaction by 33.1%. Model fit I is also shown through the F (Goodness of Fit) test.

TABLE 3 shows that the significance value of the F test is 0.00 which is less than 5%. This means that Product Quality and Brand Equity simultaneously have a significant effect on Satisfaction

Model II shows that Satisfaction's ability to explain Repurchase Intention is 0.202%. Thus it can be seen that the significance value of model II (Goodness of Fit) is 0.00 which is less than 5%. This shows that Satisfaction simultaneously has a significant effect on Repurchase Intentions. The remaining 79.8% is explained by other variables.

Hypothesis Test (T Test)

The hypothesis in this study was tested using the t-test. This test is used to demonstrate the ability to partially influence the independent variable on the dependent variable. When the significance value is less than 5% then the hypothesis is accepted. Table 3 shows the results of the independent variable test on the dependent variable:

1. Hypothesis 1: the Product Quality beta value is 0.188 with a significance value of 0.00 less than 5%. This means that product quality has a significant positive effect on satisfaction. As a result, Hypothesis 1 is accepted.
2. Hypothesis 2: indicates that the beta value of Brand Equity is 0.599 with a significance value of 0.00 which is less than 5%. This means that satisfaction has a significant positive effect on satisfaction. As a result, Hypothesis 2 is accepted.
3. Hypothesis 3: indicates that the value of Satisfaction is 0.459 with a significance value of 0.00 less than 5%. This means that satisfaction has a significant positive effect on Repurchase Intentions. As a result, Hypothesis 3 is accepted.

DISCUSSION

Influence Product quality has a positive and significant effect on customer satisfaction

Based on the results of hypothesis testing, product quality has a positive and significant effect on customer satisfaction. The results of hypothesis testing mean that the higher the product quality, the higher the customer satisfaction, so that the product quality variable has a significant role in increasing customer satisfaction in the people of Semarang who use Azarine sunscreen. This is evidenced in X1.3 which has the highest average score with the

statement "the content in Azarine sunscreen is in accordance with the standard composition and according to the needs of facial skin". The results of multiple regression analysis on product quality variables show that product quality has an influence on customer satisfaction with a beta value of 0.188 and the resulting significance value of 0.000 is less than 0.05. So it can be concluded that the product quality variable partially influences customer satisfaction variables. Based on these results it can be concluded that H1 is accepted, thus product quality has a positive and significant effect on customer satisfaction.

This research is in line with previous research Ita Ayu Saputri and Endang Tjahjaningsih, 2022; Ekasari, 2019 which shows that product quality affects customer satisfaction

1. Effect of Brand Equity on Customer Satisfaction

Based on the results of hypothesis testing, brand equity has a positive and significant effect on customer satisfaction. This means that the better the company's image in the community, the brand equity of the product will have a proud effect on customers for using the product and thereby increase customer satisfaction. This is proven in X2.2 which has the highest average score with the statement "Azarine sunscreen has a good image". The results of the multiple regression analysis test on product quality variables indicate that product quality has an influence on customer satisfaction with a beta value of 0.599 and the resulting significance value of 0.000 is less than 0.05. So it can be concluded that the product quality variable partially influences customer satisfaction variables. This research is in line with previous research which shows that product quality affects customer satisfaction. Thomas Aditya Wicaksana, Suharyono and Kadarisman Hidayat 2018; Mohamed Ismail Mujahid Hilal and Kaldeen Mohamed Mubarak, 2016; HendrikZaputera, Amri, and Adrian Radiansyah 2019)

2. The Effect of Customer Satisfaction on Repurchase Intentions

Based on the results of hypothesis testing that has been done, it shows that customer satisfaction has a significant and positive effect on repurchase intention. This means that the higher the level of customer satisfaction with a product, the effect will be the intention to repurchase Azarine sunscreen. This is proven from Y1.5 with the statement "I have never found a defect in the sunscreen product Azarine". The results of the multiple regression analysis test on the variable customer satisfaction show that customer satisfaction has an influence on repurchase intentions with a beta value of 0.626 and the resulting significance value of 0.000 is less than 0.05, so it can be concluded that the variable customer satisfaction partially affects the variable repurchase intention. From these results it can be concluded that H3 is accepted.

The results of this study are in accordance with research conducted by Mingqiang Tong (2022), Septi Kurnia Prastiwi, Rabiah, Renanda Bagus (2019) which states that customer satisfaction has a significant effect on repurchase intentions.

CONCLUSION

Based on the results of the analysis of the effect of product quality, brand equity on customer satisfaction and their impact on repurchase intention on Azarine sunscreen, it can be concluded as follows:

1. Product quality has a positive and significant effect on customer satisfaction. It means that the better the product quality, the higher the customer satisfaction with Azarine sunscreen.
2. Brand equity has a positive and significant effect on customer satisfaction. It means that the better the brand equity, the higher the impact on customer satisfaction with Azarine sunscreen.
3. Customer satisfaction has a positive and significant effect on repurchase intention. That is, the higher the customer satisfaction with the product, the greater the intention to repurchase Azarine sunscreen.

This study proves that product quality, brand equity, and satisfaction partially and simultaneously have a positive effect on repurchase intention. By comparing the beta coefficient values of the predictor variables, it is found that brand equity has a greater influence on repurchase intention. This means that to encourage satisfaction, brand equity is the most important factor. Companies are required to provide good brand equity to be able to support repurchase intentions.

Based on the value of the adjusted R square, repurchase intention is not only influenced by product quality, brand equity and satisfaction. Several other independent variables can maximize repurchase intention, for example service quality, company reputation, trust, and WoM. Future studies can develop models using more predictor variables.

Thank You

Praise and gratitude to the presence of Allah SWT who has bestowed His grace, favors and gifts, so that the research and thesis entitled "The Role of Brand Equity on Repurchase Intentions in the Beauty Industry" can be

completed properly. Apart from all that the author is fully aware that in this study there are still shortcomings. On this occasion the author would like to thank those who have contributed to the preparation of this research, especially the people of Semarang city who use Azarine sunscreen who have agreed to fill out a questionnaire and become samples in this study. Hopefully, this research can provide a little insight for the Azarine sunscreen company as an evaluation material to increase customer satisfaction

REFERENCE

- [1] Srivastava, K., & Sharma, NK (2013). Service Quality, Corporate Brand Image, and Switching Behavior: The Mediation Role of Customer Satisfaction and Repurchase Intention. *Quarterly Marketing Services*, 34(4), 274–291. <https://doi.org/10.1080/15332969.2013.827020>
- [2] Kotler, P., & Keller, KL (2016). *Marketing Management*. 13th edition (13th edition). Erlangga.
- [3] Rafli, RA, & Tjahjaningsih, E. (2022). The Influence of Product Quality, Perceived Price, and Location on Purchasing Decisions and Their Impact on Consumer Satisfaction Promises at Souls Mall Tentrem Semarang. *Journal of Management and Entrepreneurship Studies*, 3(4), 2505–2516. <http://journal.yrpiiku.com/index.php/msej>
- [4] Permatasari, DC, & Tjahjaningsih, E. (2022). The Influence of Brand Awareness, Perceived Price, and Product Quality on the Decision to Purchase Telkomsel Data Packages. *SEIKO : Journal of Management & Business*, 5(1), 296–312. <https://doi.org/10.37531/sejaman.v5i1.2019>
- [5] Cantarello, S., Filippini, R., & Nosella, A. (2012). Linking human resource management practices and customer satisfaction to product quality. *International Journal of Human Resource Management*, 23(18), 3906–3924. <https://doi.org/10.1080/09585192.2012.665064>
- [6] Suttikun, C., & Meeprom, S. (2021). Examining the effect of perceived quality of authentic souvenir products, perceived value, and satisfaction on customer loyalty. *Convincing Business and Management*, 8(1). <https://doi.org/10.1080/23311975.2021.1976468>
- [7] Abu ElSamen, AA (2015). Online Service Quality and Brand Equity: The Mediation Role of Perceived Value and Customer Satisfaction. *Journal of Internet Commerce*, 14(4), 509–530. <https://doi.org/10.1080/15332861.2015.1109987>
- [8] Rukmana, Ivana D. (2022). Top 10 best-selling local sunscreen product brands, no longer afraid of the sun, 15(6). Accessed November 20, 2022, from <https://compas.co.id/article/10-top-brand-sunscreen-lokal-terlaris-2022/>
- [9] Vashti, H., & Antonio, T. (2021). The Role of Price Promotion and Product Quality in Influencing Cok-Kis Cookies Repurchase Intentions. *KnE Social Sciences*, 2021, 441–459. <https://doi.org/10.18502/kss.v5i5.8831>
- [10] Purwati, AA, Ben, F., & Hamzah, ML (2020). Product Quality and After Sales Service to Increase Customer Satisfaction and Loyalty Product Quality and After Sales Service to Increase Customer Satisfaction and Loyalty Engine Translated by Google. 16(2), 223–235.
- [11] Wicaksana, TA, Suharyono, & Hidayat, K. (2018). The Influence of Brand Equity on Customer Satisfaction and Loyalty (Survey of Honda Beat Motorcycle Users at Kartika Motor Facilities, Magelang Regency). *Journal of Business Administration (JAB)*, 63(1), 74–81.
- [12] Zaputera, H., Amri, & Radiansyah, A. (2019). The Influence of Product Quality, Service Quality, and Brand Image on Consumer Satisfaction That Impacts Consumer Loyalty. *JEM: Journal of Economics and Management*, 5(2), 34–52. <https://journal.stiepertiba.ac.id/index.php/jem/article/view/79>
- [13] Erwana, RS (2019). The Effect of Brand Equity and Brand Favorability on Repurchase Intention with Satisfaction as a Consumer Intervening Variable Shopie Martin. *Journal of Islamic Economics, Marketing Mix*
- [14] Tong, M. (2022). Customer craft beer repurchase intention: the mediating role of customer satisfaction. *International Journal of Food Properties*, 25(1), 845–856. <https://doi.org/10.1080/10942912.2022.2066122>
- [15] Wijaya, YR, & Tjahjaningsih, E. (2022). Analysis of Customer Satisfaction Factors and Their Effect on Repurchase Intentions. 15(3), 201–211.
- [16] Shahzad, K., Ahmad, I., & Gul, A. (2019). The Mediation Role of Customer Satisfaction between Corporate Social Responsibility and Customer-Based Brand Equity. 11(1), 123–145
- [17] Prastiwi, SK, Rabia, R., & Bagus, R. (2019). The Role of Product Quality, Information Quality by Mediation of Trust in Repurchase Intention in Go-Food Partners Umkm in Surakarta. *Journal of Competitiveness Management*, 21(1), 44–54. <https://doi.org/10.23917/dayasaing.v21i1.6009>

- [18] Ghozali, I. (2018). *Multivariate Analysis Application with IBM SPSS 25 Program*. Diponegoro University Publishing Agency
- [19] Hilal, MIM, & Mubarak, KM (2016). Exploring customer-based brand equity: a study among tourist hotels on the east coast of Sri Lanka. 1(2), 1–9. <http://ir.lib.seu.ac.lk/handle/123456789/2419>