Analysis of The Influence of Global Branding on Purchase Intention Through Perceived Product Quality (Study on The Executive Men's Clothing Products)

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Abstract  
Rapid global competition, ease of entry and exit of products from abroad to Indonesia, can be a threat to Indonesia. One of the strategies that company can do to compete with foreign products is by global branding strategy. One of the Indonesian products that using this strategy is The Executive. The purpose of this research is to know the consumer's buying interest to the men’s product of The Executive through variable perceived product quality. This research is quantitative descriptive research. This research used survey method and questionnaire for data retrieval. The sample of this study are the prospective buyers of men’s product of The Executive who know the product but has never bought the product. Respondents were selected based on purposive sampling technique with 112 respondents and using Structural Equation Modeling (SEM) as data analysis technique. Result of this research revealed that: 1. Global branding does not related to purchase intention 2. Global branding is positively related with perceived product quality 3. Perceived product quality is positively related with purchase intention.  
Keywords: global branding, perceived product quality, purchase intention.

Abstrak  
Kata Kunci: branding global, kualitas produk yang dirasakan, niat beli.
1. Introduction

The phenomenon of using foreign brands on local products can be seen from the success of the product in marketing its products not only domestically, but also expanding its market share to foreign countries such as Asia, Australia and Europe. Choosing a brand with strong country ties can provide an overview for decision making in maximizing product utility. Some brands can create a strong point-of-difference as part of consumer identification and trust regarding the country-of-origin (Keller, 2008).

Global branding as a strategy in using brands globally can have an influence on brand image as part of brand equity. Some brands that use foreign language naming to create a global brand perception such as Klarbrunn, Giorgia di St. Angelo and Haagen Daazs may sound foreign, difficult to pronounce and may be harder to remember than brands that use English, but they can carry positive associations about how consumers perceive and evaluate the product (Lecrec, Schmitt and Dube, 1994). Many multinational companies are changing their portfolio of global brand tastes because they believe that consumers will prefer local brands over global brands. One example is a large telecom company that changed its local name to the Vodafone brand (Stenkamp, Batra and Alden, 2002). A global brand may be produced in several locations, so the company can take advantage of lower production costs or perhaps easier access to foreign markets. This shows that naming a brand contains a unique message that carries a country-of-origin effect (Pecotich and Ward, 2007).

Advertisers use foreign language accents in advertising their products to associate products with good aspects of the country when the foreign language or accent is spoken (Hendriks et al., 2015). Many multinational companies are changing their portfolio of global brand tastes because they believe that consumers will prefer local brands over global brands. One example is a large telecom company that changed its local name to the Vodafone brand (Stenkamp, Batra and Alden, 2002).

The Executive is one of the fashion products that has expanded its market share to the neighboring country, Malaysia. The brand, which was formerly called Executive99, started its business by producing shirts, especially men's shirts. However, currently The Executive has developed its product by producing clothing for women.

This study focuses on purchase intention of consumers towards The Executive menswear products. Reason for choosing variable purchase intention is because researchers want to know how much the use of global branding strategies affects consumer buying interest. This study, several variables will be tested on purchase intention, namely: global branding as described in the research of Villar et al., (2011) and perceived product quality as described in Steenkamp's research, Batra and Alden (2002).

There has not been much research on global branding in Indonesia and this research is the first research conducted at the Indonesia Banking School. This of course can be a contribution to new ideas in the field of marketing, especially in global branding strategies. This research is a descriptive study, to explain in detail how this research was conducted by conducting a survey of potential users of The Executive men's clothing products.

2. Theoretical Framework and Hypothesis Development (If Any)

Global Branding Theory

Global branding according to Yip (1995) and Branch (2001) is a brand that consumers can find in several countries with the same name with the same marketing strategy (Steenkamp, Batra and Alden, 2002). The use of a brand in a foreign language may be difficult to pronounce and perhaps even more difficult to remember, but it can carry positive associations about how consumers perceive and evaluate the product (Lecrec at al, 1994). The literature shows that the use of foreign languages in advertising is most effective when the product is congruent with the country where the language is used (Domzal et al., 1995).

Perceived Product Quality Theory

According to Zeithaml (2014), perceived quality is defined as a consumer's assessment of the overall superiority of the product. Dodds et al., (1991) stated that perceived product quality acts as a mediator between extrinsic cues and consumer appraisal perceptions, on the other hand price is one of the most important extrinsic cues in determining the quality of a product (Tsiotsou, 2006). Dodds et al., (1991) revealed that consumers often judge that the quality of a product is the basis of various information cues associated with the product. Perceived quality cannot always be determined by purpose, because it involves an assessment from consumers about what is important to consumers. Perceived quality cannot be seen and is something that is felt against the brand as a whole. This is based on the dimensions that include the product characteristics of a brand such as the durability and performance of the product.

Purchase Intention Theory

Purchase intention represents the possibility of consumers to plan or willingness to buy certain products or services in the future (Chao and Chao, 1998). Perceived value can be formed independently of the participation of a transaction, while purchase intention is formed based on the assumption of a pending transaction and it is often considered an important indicator of actual purchases (Chang
and Chen, 2008).

**Global Branding Effect with Purchase Intention**

In developing countries, consumers have a preference to buy products with foreign brands because they have a symbolic meaning in the form of hedonicity and high social status. This is in line with research conducted by Villar et al., (2011) which states that there is a significant influence of the use of foreign brand names on purchase intention (purchase intention) on products using foreign language brands compared to products using local language brands, with younger respondents who stated that they were curious to be able to try new products. Ztürk et al., (2015) stated that naming in a more global language, in this case English, is preferred especially for blue jeans products. Buying interest in these products is also higher than brands with local language names. It can be concluded that the naming in English gives a positive suggestion that the product is more competent and has a higher demand for product purchases.

H1: There is an influence between global branding and purchase intention

**Influence of Global Branding with Perceived Product Quality**

Steenkamp, Batra and Alden (2002) state that global branding has a positive influence on perceived product quality. The study found that the country of origin which is a component of global branding affects consumer perceptions of the quality of the product. Companies must communicate more about brand perceptions with superior quality compared to the status and prestige that consumers will get from these products. Chao's (1998) research shows that there is a positive and significant influence in global branding on perceived product quality. When the quality of a product is high, consumers will feel satisfied and the interest in buying will be even greater.

H2: There is an influence between global branding and perceived product quality

**Effect of Perceived Product Quality with Purchase Intention**

Kinra (2006) states that the quality of products that use foreign languages has a higher perception than local products. They choose products that use foreign languages because these products have a higher perception of social status than products that use local languages. The use of foreign languages also positions the product on the attributes of high technology and quality. This results in high consumer buying interest to use products that use foreign languages which are quite high.

H3: There is an influence between perceived product quality and purchase intention

**3. Research Method**

The object of this research is the prospective users of The Executive menswear products in the Jabodetabek area. The reason researchers chose The Executive's formal wear products is that The Executive is one of the global brands that is in demand, especially for young executives who wear formal clothes every day to support their appearance in their daily activities in the office.

**Research design**

This type of research is a type of descriptive research. Descriptive research is research designed to assist decision-making in determining, evaluating and selecting the best alternative and to determine the extent to which a number of marketing variables are related. The researcher uses a quantitative descriptive study which will be conducted once in a period (cross-sectional design) in this study. Cross-sectional design is a type of research design that consists of collecting information about a certain sample of population elements that is carried out only once (Malhotra, 2009). Data collection techniques will be carried out through a questionnaire survey technique to respondents, namely through lists containing questions that are systematically arranged so that they are easily understood by respondents and can reach respondents more broadly.

**Population and Sample**

The population of this study are potential users of The Executive men's clothing products. The sampling technique used in this research is purposive sampling. The number of samples was multiplied by 5, in accordance with the sample size guidelines according to Hair et al., (2014). Hair et al. (2014) stated that the sample size guideline de-
by providing questions answered by respondents to determine the extent to which respondents agree or disagree with the statement and then processed by researchers into primary data in the form of numbers, tables, statistical analysis and discussion and conclusion of research results.

The preparation of this questionnaire uses a Likert scale. The Likert scale is a scale that is widely used in asking respondents to mark the degree of agreement or disagreement with each of a series of statements about the stimulus object (Malhotra, 2009).

The data obtained from the questionnaire will be processed using the computer program AMOS 21 (Analysis for Moment Structures).

**Operational Variables**

**Global Branding**
- GB1. The Executive is an international brand
- GB2. The Executive products are not only sold in Indonesia
- GB3. Consumers from abroad also buy products The Executive

**Perceived Product Quality**
- PER1. The Executive products use good ingredients
- PER2. The Executive product is comfortable to use
- PER3. The Executive's product design is not on the market

**Reliability**
- REL1. The Executive products are suitable for use in various formal and informal events
- REL2. The Executive product is able to display a formal impression when used

The total questionnaires obtained in this study were 113 pieces with 1 questionnaire that could not be used because the answer was invalid, so the total questionnaire used in this study amounted to 112 pieces. Data collection was carried out through the distribution of questionnaires listed on the internet, namely Google Docs and distributed through social media to respondents who met the characteristics of the study. The characteristics of the respondents who will be sampled in this study are as follows:

1. Respondents are male
2. Respondents already have their own income
3. Respondents know The Executive's product and have never bought the product
4. Respondents live in the Greater Jakarta area

**Table 1. Validity and Reliability Test Results (Measurement)**

<table>
<thead>
<tr>
<th>Latent Variable</th>
<th>Indicator</th>
<th>Validity test</th>
<th>Reliability Test</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Loading Factor</td>
<td>Conclusion</td>
</tr>
<tr>
<td>Global Branding</td>
<td>GB1</td>
<td>0,598</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>GB2</td>
<td>0,860</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>GB3</td>
<td>0,601</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>PER1</td>
<td>0,880</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>PER2</td>
<td>0,885</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>PER3</td>
<td>0,467</td>
<td>Not Valid</td>
</tr>
<tr>
<td></td>
<td>REL1</td>
<td>0,646</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>REL2</td>
<td>0,897</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>REL3</td>
<td>0,917</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>DUR1</td>
<td>0,797</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>DUR2</td>
<td>0,750</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>DUR3</td>
<td>0,876</td>
<td>Valid</td>
</tr>
</tbody>
</table>

**Method of Collecting and Processing Data**

The data processing technique of a research must be adapted to the research methodology used. In this study, researchers used data analysis that aims to answer research questions in order to reveal the relationship between global branding and purchase intention mediated by perceived product quality. Data analysis is the process of simplifying data into a form that is easier to read and interpret.

The main activity of data collection method in this research is through the distribution of questionnaires. The questionnaire according to Malhotra (2009) is a structured technique to obtain data consisting of a series of written or verbal questions answered by respondents. This method is carried out depending on the number of indicators and can be multiplied by 5 to 10. The number of indicators in this study were 18, multiplied by 6 to make 108 respondents who are potential users of The Executive's menswear products.

Number of samples = Indicator x 6 Number of samples = 18 x 6 = 108

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1. Respondents are male
2. Respondents already have their own income
3. Respondents know The Executive's product and have never bought the product
4. Respondents live in the Greater Jakarta area
Result, Discussion, and Managerial Implication

This study collected data from 112 respondents who knew but had never used The Executive's menswear products. The data processing process begins with testing the validity and reliability of the measuring instrument for each variable used through estimation on the measurement model. Based on the estimation results of the measurement model, it was found that 2 indicators did not meet the required values. The following are the results of the calculation of validity and reliability on SEM.

If the GB1 indicator is entered, it can make the AVE value below 0.50, which is only 0.486 and make the variable unreliable. In the perceived product quality variable, the PER3 indicator has the lowest factor loading value compared to the other indicators, which is 0.467 which causes the variable to be invalid. If the GB1 indicator is removed and not used, the AVE value for the global branding variable becomes 0.538 and makes the variable reliable. Table 2 shows the analysis after the GB1 and PER3 indicators are removed.

Goodness of fit (GOF) testing is carried out to see how well the model specifications match the sample data or are observed with the model. Assessing GOF on SEM as a whole (overall), cannot be done directly like other multivariate techniques. Goodness of fit (GOF) testing is carried out to see how well the model specifications match the sample data or are observed with the model. Assessing GOF on SEM as a whole (overall), cannot be done directly like other multivariate techniques.

Table 2. Validity and Reliability Test Results After Elimination (Measurement)

<table>
<thead>
<tr>
<th>Latent Variable</th>
<th>Indicator</th>
<th>Loading Factor</th>
<th>Validity Test</th>
<th>AVE ≥ 0,50</th>
<th>CR ≥ 0,70</th>
<th>Reliability Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Branding</td>
<td>GB2</td>
<td>0,601</td>
<td>Valid</td>
<td>0,538</td>
<td>0,693</td>
<td>Reliable</td>
</tr>
<tr>
<td></td>
<td>GB3</td>
<td>0,845</td>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived</td>
<td>PER1</td>
<td>0,882</td>
<td>Valid</td>
<td>0,787</td>
<td>0,881</td>
<td>Reliable</td>
</tr>
<tr>
<td>Product Quality</td>
<td>PER2</td>
<td>0,892</td>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>REL1</td>
<td>0,645</td>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>REL2</td>
<td>0,896</td>
<td>Valid</td>
<td>0,687</td>
<td>0,866</td>
<td>Reliable</td>
</tr>
<tr>
<td></td>
<td>REL3</td>
<td>0,918</td>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Durability</td>
<td>DUR1</td>
<td>0,798</td>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>DUR2</td>
<td>0,749</td>
<td>Valid</td>
<td>0,680</td>
<td>0,864</td>
<td>Reliable</td>
</tr>
<tr>
<td></td>
<td>DUR3</td>
<td>0,876</td>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fit and Fresh</td>
<td>FIT1</td>
<td>0,832</td>
<td>Valid</td>
<td>0,691</td>
<td>0,870</td>
<td>Reliable</td>
</tr>
<tr>
<td></td>
<td>FIT2</td>
<td>0,807</td>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>FIT3</td>
<td>0,854</td>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase</td>
<td>PI1</td>
<td>0,842</td>
<td>Valid</td>
<td>0,764</td>
<td>0,906</td>
<td>Reliable</td>
</tr>
<tr>
<td>Intention</td>
<td>PI2</td>
<td>0,921</td>
<td>Valid</td>
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</tr>
<tr>
<td></td>
<td>PI3</td>
<td>0,857</td>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. Result, Discussion, and Managerial Implication

This study collected data from 112 respondents who knew but had never used The Executive's menswear products. The data processing process begins with testing the validity and reliability of the measuring instrument for each variable used through estimation on the measurement model. Based on the estimation results of the measurement model, it was found that 2 indicators did not meet the required values. The following are the results of the calculation of validity and reliability on SEM.

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Goodness of fit (GOF) testing is carried out to see how well the model specifications match the sample data or are observed with the model. Assessing GOF on SEM as a whole (overall), cannot be done directly like other multivariate techniques.

Table 3. Results of Goodness of Fit

<table>
<thead>
<tr>
<th>GOF</th>
<th>Match Rate</th>
<th>The calculation results</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute - Fit Measures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CMIN/DF</td>
<td>CMIN/DF ≤ 5,00 (good fit)</td>
<td>1,610</td>
<td>Good fit</td>
</tr>
<tr>
<td>RMSEA</td>
<td>RMSEA ≤ 0,08 (good fit)</td>
<td>0,073</td>
<td>Good fit</td>
</tr>
<tr>
<td></td>
<td>0,08 ≤ RMSEA ≤ 0,10 (marginal fit)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RMSEA ≥ 0,10 (poor fit)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incremental Fit Measures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CFI</td>
<td>CFI ≥ 0,90 (good fit)</td>
<td>0,941</td>
<td>Good fit</td>
</tr>
<tr>
<td></td>
<td>0,80 ≤ CFI ≤ 0,90 (marginal fit)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CFI ≤ 0,80 (poor fit)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The estimation results in this study shows in the Table 3.

Based on the table 3, it can be seen that the three GOF measures, namely CMIN/DF, RMSEA and CFI showed good fit results. The overall model indicates that the overall data is good fit with the SEM model.

5. Conclusion, Suggestion, and Limitation

Based on table 4, the results show that global branding does not have a significant effect on purchase intention because the estimation results are negative, which is -0.029 and the p-value of the hypothesis is 0.752, which means the p-value > 0.05. The critical ratio of the influence between global branding and purchase intention is – 0.316. In conclusion, the global branding hypothesis is not proven to have an effect on purchase intention and is not supported by data.

The results show that global branding has a positive effect on perceived product quality, because the estimated value shows a positive value of 0.361 and the p-value of the hypothesis is *** which means the p-value <0.5, the critical ratio is 3.395. Based on these results, the global branding hypothesis is proven to have a positive effect on perceived product quality and is supported by data.

Perceived product quality has a positive influence on purchase intention because the estimated value shows a positive result of 0.903 and the p value of the hypothesis is ***, and the critical ratio value is 6.722. Based on this, it can be concluded that the hypothesis of perceived product quality is proven to have a positive influence on purchase intention and is supported by data.

Managerial Implications

Naming a brand on a global scale can be used as a competitive strategy in the global market. The use of foreign languages in The Executive brand can make a brand more attractive to consumers. This is because the use of foreign languages can give consumers a positive perception of the brand. Consumer knowledge of the country of origin of a brand can estimate how the quality of the product is based on the perception of the country of origin of the brand. Based on the results of a survey conducted by www.topbrand-award.com, consumers prefer to buy local Indonesian products that also use the Indonesian language. In fact, many consumers also know that The Executive brand is a brand originating from Indonesia, so many prefer to buy clothing products that come from abroad. How to increase consumer perception in choosing The Executive menswear products, a re-branding strategy can be carried out, namely by changing the old brand with a new brand for The Executive menswear product line with a brand that better illustrates that the product comes from abroad and describes a global brand. This of course can change the consumer's assumption that The Executive's menswear products are local Indonesian products to increase consumer buying interest in this product.

The perception of high product quality can certainly increase consumer buying interest in The Executive's men's clothing products. When consumers feel that this product has low product resistance or is easily damaged, the company must conduct market research to find out what kind of product materials are durable as well as direct surveys to consumers to find out what kind of clothing materials are in demand by consumers so that they no longer consider that the material of The Executive's menswear products is not durable. The Executive must continue to improve the quality of its products, especially in the men's clothing product line so that it can meet consumer needs for formal wear products, provide benefits for its users, are suitable for use and the price is appropriate and can also be accepted by potential consumers of The Executive's men's clothing products. If this can be fulfilled by The Executive, then of course the company can compete with similar products and can meet the needs of the community.

Suggestion

Some suggestions that might be given to the company and for further research are as follows:

1. The company can do re-branding, namely by changing the brand on The Executive's menswear product line to increase consumer assumptions that the product is a global product originating from abroad and illustrates that the product is specifically for men and to increase consumer buying interest in the product.

2. What the company might pay attention to is to increase consumers' positive perception of
The Executive's men's clothing products is to balance it with the quality of product design so that these products are no longer considered in the market. Conducting market research, forming a research team to find out what designs are in demand by consumers, companies can do to adjust product designs to the needs needed by consumers so that consumers' positive assumptions about The Executive's menswear products are higher than similar local products.

For Further Research
Suggestions given for further research that will conduct with the same theme, are expected to be able to make research with different research objects, because there are lots of local products that also use global branding strategies. To provide mixed results, further research can also be carried out by conducting other types of research, such as experimental and exploratory research. This can be done to find out more deeply by directly testing respondents whether they know that the product to be tested is a global or local product and whether they agree that global branding has an influence on purchase intention through perceived product quality variables. Another research design that can also be done is to conduct a moderation research, which is to find out how much influence global brands have on purchase intention, whether the results will be different if moderated by perceived product quality variables.

The limitations of study
First, the object of this research is limited to female consumers who use The Executive for Women's clothing products. Second, the research area is only limited to the Greater Jakarta area. Third, the indicators in the Perceived Product Quality variable are not used at all as in the research of Oxtafiani and Widowati (2017) due to the adjustment of indicators to the product.

References


