

**THE INFLUENCE OF BRAND AWARENESS AND PERCEIVED
QUALITY ON REPURCHASE INTENTION: BRAND LOYALTY AS
INTERVENING VARIABLE
(CASE STUDY AT KOPI SOE BRANCH OF PANAKKUKANG MAKASSAR)**

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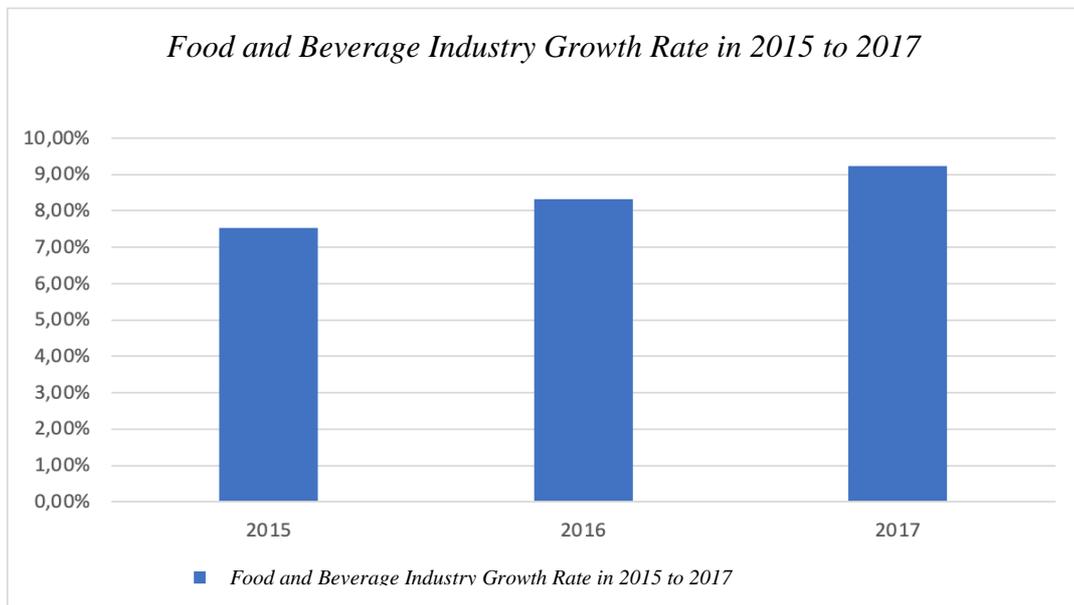
Abstract: The study entitled “The Influence of Brand Awareness and Perceived Quality on Repurchase Intention: Brand Loyalty as Intervening Variable (Case Study at Kopi Soe Branch of Panakkukang Makassar) has seven research objectives, namely: (1) Knowing the effect of brand awareness on brand loyalty, (2) Knowing the effect perceived quality on brand loyalty, (3) Knowing the effect of brand awareness on repurchase intention, (4) Knowing the effect of perceived quality on repurchase intention, (5) Knowing the effect of brand loyalty on repurchase intention, (6) Knowing brand loyalty mediates the effect of brand awareness on repurchase intention, (7) Knowing brand loyalty mediates the effect of perceived quality on repurchase intention. Kopi Soe Branch of Panakkukang Panakkukang Makassar is a business engaged in beverages that offers local coffee. This research uses quantitative methods. The population in this study was the consumers of Kopi Soe Branch of Panakkukang Makassar who made transactions for the last six months. The sample in this study amounted to 130 respondents. Data was collected through the distribution of questionnaires distributed online using a google form. In this study, the data was processed using Smart PLS 3.0. The results of this study are: (1) Brand awareness has a significant effect on brand loyalty, (2) Perceived quality has a significant effect on brand loyalty, (3) Brand awareness has a significant effect on repurchase intention, (4) Perceived quality has no significant effect on repurchase intention, (5) Brand loyalty has a significant effect on repurchase intention, (6) Brand loyalty has a significant effect in mediating brand awareness on repurchase intention, (7) brand loyalty has a significant effect on mediating perceived quality on repurchase intention.

Keywords: *Brand Awareness, Brand Loyalty, Perceived Quality, Repurchase Intention.*

1. Introduction

The development of an increasingly advanced era has an influence in the business world so that business is increasing, one of which is increasing in the culinary business. The culinary business engaged in the food or beverage sector is a business that creates products to meet human food needs, where food is a basic human need which is an absolute necessity to fulfill and maintain human survival. Based on data taken from Kemenparekraf, it can be seen that there is an increase in the number of businesses every year in the food or beverage sector.

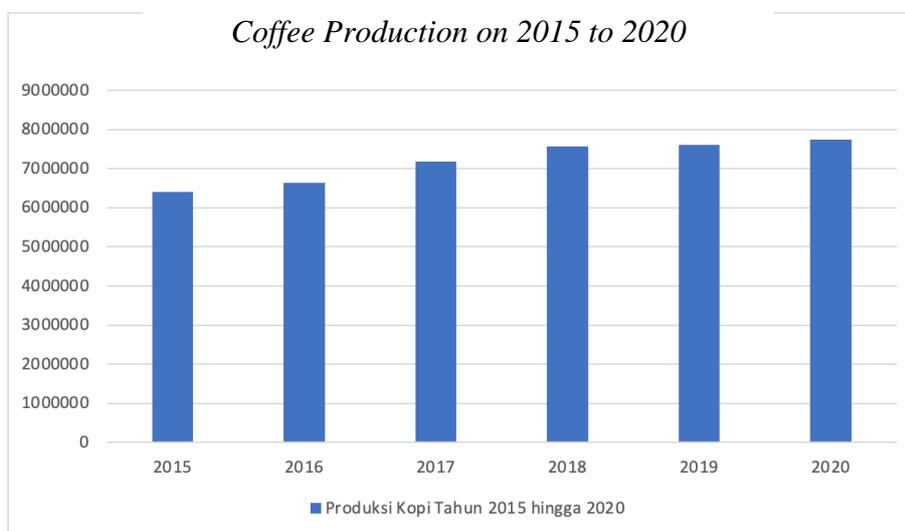
Figure 1.1 Food and Beverage Industry Growth Rate in 2015 until 2017



Source: Badan Pusat Statistik (2022)

Based on Figure 1.1 explains the increasing growth of the food and beverage industry. The increase and development of business in the food and beverage sector has created many competitors who have created several brands by offering various food or beverage innovations, one of which is in the coffee sector. In Indonesia, coffee enthusiasts are becoming more and more due to changes in consumer lifestyles. Coffee is a lifestyle trend of people in Indonesia, not only among the elderly but also among young people, the coffee trend is also very pronounced (Kumbaran, 2020). Based on data taken from Direktorat Jenderal Perkebunan, it can be seen that there was an increase in coffee production from 2015 to 2020.

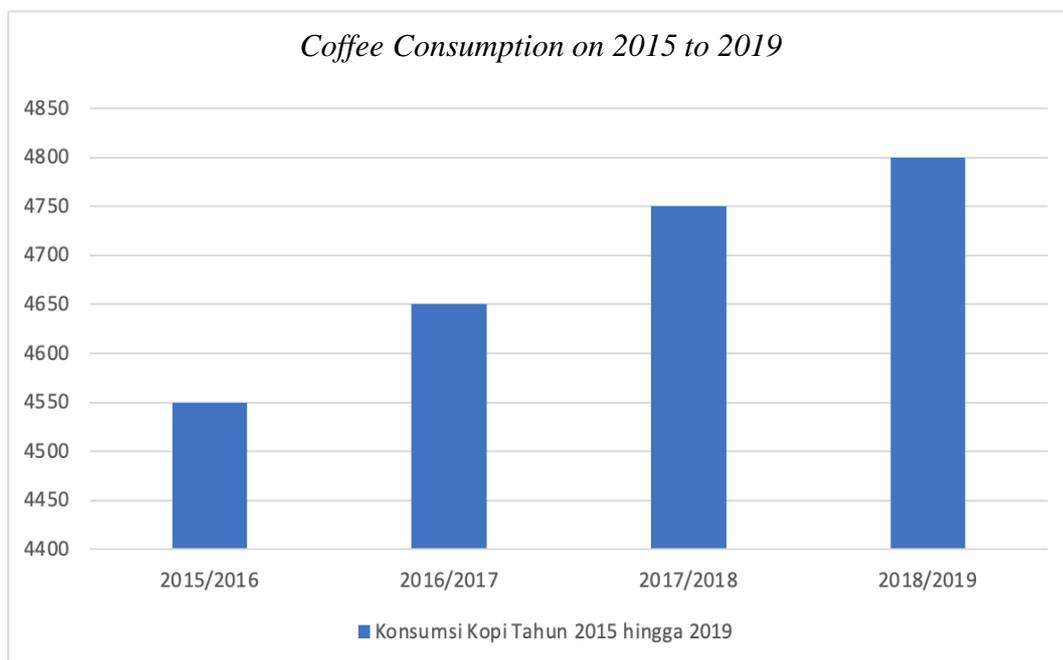
Figure 1.2 Coffee Production on 2015 to 2020



Source: Direktorat Jenderal Perkebunan (2021)

The increase in coffee production from 2015 to 2020 can explain that there are more and more coffee enthusiasts in Indonesia. Public awareness to consume coffee is starting to increase where this can be indicated by an increase in coffee production by one to two percent each year (Wahyuni, 2015). It can be said that with the increase in coffee production every year, the level of coffee consumption in Indonesia is also getting higher. From the Center for Agricultural Data and Information Systems, the Ministry of Agriculture, coffee consumption from 2016 to 2021 is predicted to grow 8.22% annually (Ministry of Agriculture, 2018). Based on data taken from the ICO (International Coffee Organization) it can be seen that there was an increase in coffee consumption from 2015 to 2019.

Figure 1.3 Coffee Consumption on 2015 to 2019



Source: International Coffee Organization (2018)

Seen from Figure 1.2 and Figure 1.3 regarding data on coffee production and consumption in Indonesia, it is clear that the level of coffee consumption in Indonesia is increasing every year so that through this demand the coffee production process also increases. The increase in coffee production and consumption is an opportunity for business people to open coffee shops or shops. This factor gave Kopi Soe an opportunity to open his business.

Kopi Soe was first inaugurated in 2018 where Kopi Soe has a vision that Kopi Soe wants consumers to feel nostalgic because Kopi Soe has an ancient naming concept (Mutiah, 2019). It is known that Kopi Soe now has 150 outlets spread across small and large cities in Indonesia and Kopi Soe relies on a partnership strategy in its sales (Mutiah, 2019). Until now, Kopi Soe continues to provide innovations to attract the attention of its consumers. The essence of a brand is not only limited to introducing a brand to one consumer or another, but a business concept must be able to build awareness for consumers so that brand awareness will be created.

Brand awareness is the ability of consumers to remember and recognize a particular product (Ilyas et al 2020). Not only focusing on brand awareness but also relating to

perceived quality which is one of the important things that must be considered in building a brand. If a brand already has a name or is already known among the public, it will affect the consumer's desire to continue to use or buy a product so that brand loyalty will be created in a business. From the problem it can be assumed that brand awareness and perceived quality from a business requires a strategy with a clear direction so that consumers are willing to make repeat purchases.

2. Research Method

This study uses quantitative research methods to obtain the final results of the study. This study obtained data in the form of numbers obtained through respondents. The population in this study were the consumers of Kopi Soe Branch of Panakkukang Makassar who made transactions for the last six months. To obtain a research sample, the ideal sample to obtain data has a value of 5 to 10 times the number of indicators in the study (Hair, 2014:176). Researchers used a maximum value of 10 to determine the sample in this study, so the sample to be obtained was 13 x 10, namely 130 samples because in this study there were 13 indicators. In this research, the writer uses purposive sampling technique because the criteria that must be met by the respondent is that the respondent has made a minimum transaction of three times at Kopi Soe Branch of Panakkukang Makassar.

3. Results and Discussion

3.1 Respondent Description

The subjects in this study were the consumers of Kopi Soe Branch of Panakkukang Makassar who made transactions for the last six months.

Table 3.1 Characteristics of Respondents

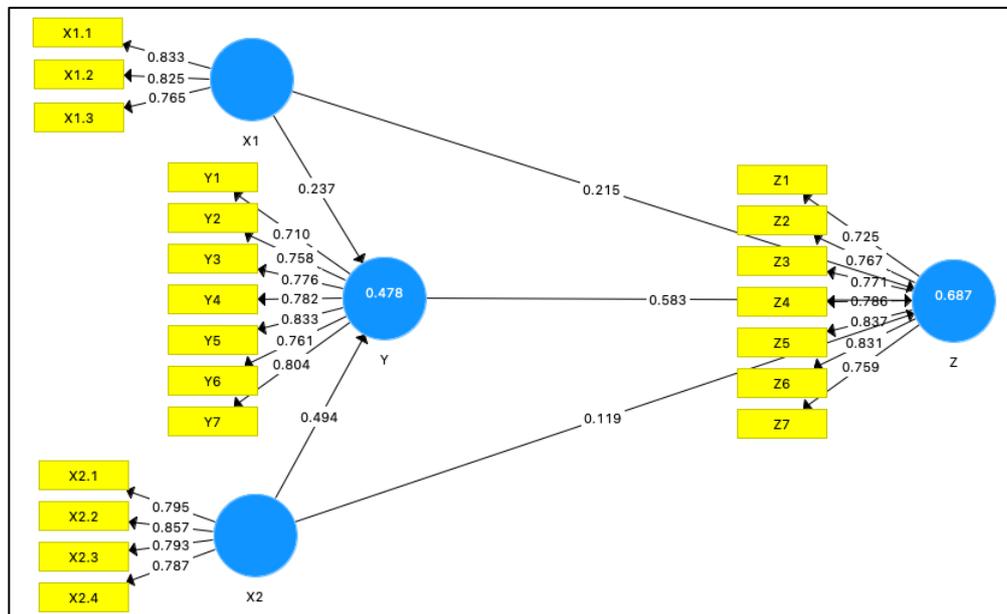
| | Variable | Frequency | Percentage |
|-------|-----------------|------------------|-------------------|
| Gende | Men | 26 | 20% |
| | Women | 104 | 80% |
| Age | 18–25 years | 89 | 68,5% |
| | 25–30 years | 11 | 8,5% |
| | 30–35 years | 5 | 3,8% |
| | 35–40 years | 25 | 19,2% |

Source: Processed Data (2022)

As seen on Table 3.1 that there are 130 respondents, of which 26 male respondents are and 104 female respondents. In terms of age, there is a percentage of 68.5% age range 18 years to 25 years, 8.5% age range 25 years to 30 years, 3.8% age range 30 years to 35 years and 19.2% age range 35 years up to 40 years.

3.2 Data Analysis

Figure 3.1 Outer Model



Source: Data Processed Smart PLS 3.0 (2022)

3.3 Hypothesis Test Results

The results of hypothesis testing can be done by testing T-Statistics where the recommended value is a value > 1.96 .

Table 3.2 Path Coefficient, T-Statistics, dan P-Values (Direct Effect)

| | <i>Original Samples</i> | <i>T-Statistics</i> | <i>P-Values</i> | Keterangan |
|---------|-------------------------|---------------------|-----------------|------------------------------|
| X1 -> Y | 0,237 | 2,620 | 0,009 | Positif dan signifikan |
| X2 -> Y | 0,494 | 3,307 | 0,001 | Positif dan signifikan |
| X1 -> Z | 0,215 | 2,868 | 0,004 | Positif dan signifikan |
| X2 -> Z | 0,119 | 0,809 | 0,419 | Positif dan tidak signifikan |
| Y -> Z | 0,583 | 3,900 | 0,000 | Positif dan signifikan |

Source: Processed Data Smart PLS 3.0 (2022)

Based on Table 3.1 explains that:

1. The first hypothesis (H1) in this study, namely brand awareness (X1) has an effect on brand loyalty (Y) is declared accepted because it has a path coefficient value of 0.237 which is concluded that the X1 variable has a positive effect on the Y variable. Then the T-statistics seen the value of 2,620 which is considered positive and significant. Furthermore, the P-values are seen as 0.009 where this value is > 0.05 so that it is declared significant. It is concluded that the first hypothesis has positive and significant results.
2. The second hypothesis (H2) in this study perceived quality (X2) that affects brand loyalty (Y) is declared accepted because it has a path coefficient value of 0.494 which is concluded that the X2 variable has a positive effect on the Z variable. Then the T-statistics seen the value of 3.307 which is considered positive and significant.

Furthermore, the P-values are seen as 0.001 where this value is <0.05 . It is concluded that the second hypothesis has positive and significant results.

3. The third hypothesis (H3) in this study is that brand awareness (X1) has an effect on repurchase intention (Z) is declared accepted because it has a path coefficient value of 0.215 which is concluded that the X1 variable has a positive effect on the Z variable. When viewed on the P-values seen the value of 0.004 where this value is <0.05 so it is declared significant. It is concluded that the third hypothesis has positive and significant results.
4. The fourth hypothesis (H4) in this study, namely perceived quality (X2) has an effect on repurchase intention (Z) is declared accepted because it has a path coefficient value of 0.119 which concludes that the X2 variable has a positive effect on the Z variable. However, the T-statistics seen the value of 0.809 which is considered insignificant. Furthermore, the P-values seen a value of 0.419 where the value > 0.05 so that it is declared insignificant. It is concluded that the fourth hypothesis has positive and insignificant results.
5. The fifth hypothesis (H5) in this study, namely brand loyalty (Y) on repurchase intention (Z) was declared accepted because it had a path coefficient value of 0.583 which concluded that the Y variable had a positive effect on the Z variable. Then the T-statistics value was seen a value of 3,900 which is considered significant. Furthermore, the P-values are seen as 0.000 where this value is <0.05 so that it is declared significant. It is concluded that the fifth hypothesis has positive and significant results.

3.4 Mediation Test

The mediation test is used to test the hypothesis of the indirect effect of a variable that affects the affected variable which is mediated by an intervening variable or mediator where the mediation test is carried out by indirect analysis. The mediation test is tested by looking at the path coefficient, T-statistics and P-value values. The following is an explanation of the significance of this research:

Table 3.2 Path Coefficient, T-Statistics, dan P-Values (Indirect Effect)

| | <i>Original Samples</i> | <i>T-Statistics</i> | <i>P-Values</i> | Keterangan |
|--------------|-------------------------|---------------------|-----------------|------------------------|
| X1 -> Y -> Z | 0,138 | 2,247 | 0,025 | Positif dan signifikan |
| X2 -> Y -> Z | 0,288 | 3,526 | 0,000 | Positif dan signifikan |

Source: Processed Data Smart PLS 3.0 (2022)

Based on Table 3.2 explains that:

1. The sixth hypothesis (H6) in this study, namely brand loyalty (Y) mediates the effect of brand awareness (H1) on repurchase intention (Z) is declared accepted because it has a path coefficient value of 0.138 which concluded that the Y variable has a positive effect in mediating the X1 variable. on the variable Z. Then the value of T-statistics seen a value of 2,247 which is considered significant. Furthermore, the P-values seen a value of 0.025 where this value is <0.05 so that it is declared significant. It is concluded that the sixth hypothesis has positive and significant results and it can be stated that the X1 variable is included in the part mediation model, which means that the independent variable has a direct effect on the dependent variable without going through the mediator variable.

2. The seventh hypothesis (H7) in this study, namely brand loyalty (Y) mediates the effect of perceived quality (X2) on repurchase intention (Z) is declared accepted because it has a path coefficient value of 0.288 which concluded that the Y variable has a positive effect on mediating variables X2 to the Z variable. Then the T-statistics value is seen as a value of 3,526 which is considered significant. Furthermore, the P-values are seen as 0.000 where this value is <0.05 so that it is declared significant. It is concluded that the seventh hypothesis has positive and significant results and it can be stated that the X2 variable is included in the mediation part, which means that the independent variable has a direct effect on the dependent variable without going through the mediator variable.

4. Discussion

4.1 The Effect of Brand Awareness on Brand Loyalty

Based on the research above, it shows that brand awareness has an effect on brand loyalty, so that the statement regarding brand loyalty determined by brand awareness can be accepted. This is also in line with research conducted by Ananda (2018:6) which states that brand awareness has a positive and significant effect on brand loyalty because brand awareness plays an important role in building brands in consumers' minds.

4.2 Effect of Perceived Quality on Brand Loyalty

Based on the research above, it shows that perceived quality has an effect on brand loyalty, so that statements about brand loyalty determined by the perceived quality are acceptable. This is also in line with research conducted by Kurniawan (2017: 235) which states that the results of the study show that perceived quality has a significant positive effect. It can be concluded that by maintaining a consistent taste, good quality and having a choice of drink sizes that can be purchased according to consumer needs, Kopi Soe Branch of Panakkukang Makassar still gets an assessment that supports consumers' reasons for being loyal to their brand.

4.3 The Effect of Brand Awareness on Repurchase Intention

Based on the research above, it shows that brand awareness has an effect on repurchase intention, so that statements regarding repurchase intention determined by brand awareness are acceptable. Research conducted by Ali (2019: 629) also states that brand awareness has a positive and significant effect on repurchase intention because the higher a brand is known by consumers, the higher the level of purchase that will be made more than once. Based on the results obtained in this study, it can be concluded that the more consumers recognize and remember the products of Kopi Soe Branch of Panakkukang Makassar, it will indirectly make consumers to make repeated purchases into the future.

4.4 Effect of Perceived Quality on Repurchase Intention

Based on the research above, it shows that perceived quality has no effect on repurchase intention, so that statements regarding repurchase intention determined by perceived quality cannot be accepted. This study is in line with research conducted by Hsu et al (2014: 241) which states that perceived quality does not significantly affect repurchase intention because in his research it states that consumers cannot feel the quality of the products offered. When viewed from the field or conditions after the research was conducted, perceived quality has no effect on repurchase intention because it can be seen from the many competitors who offer similar products or consumers have not found the uniqueness of Kopi Soe Branch of Panakkukang Makassar.

4.5 The Effect of Brand Loyalty on Repurchase Intention

Based on the research above, it shows that brand loyalty has an effect on repurchase intention, so that statements regarding repurchase intention determined by brand loyalty can be accepted. It is also supported by research conducted by Wijaksono and Ali (2019:377) which states that brand loyalty has a positive and significant effect on repurchase intention because brand loyalty is related to consumer commitment that results in repeat purchases. The creation of brand loyalty will affect the intention to repurchase in the future. Kopi Soe Branch of Panakkukang Makassar is able to make consumers loyal to their products so that it triggers repurchase intention and allows loyal consumers to recommend their surroundings related to Kopi Soe Branch of Panakkukang Makassar products.

4.6 The Effect of Brand Loyalty in Mediating Brand Awareness on Repurchase Intention

Based on the research above, it shows that brand loyalty has an effect on mediating brand awareness on repurchase intention, so the statement regarding the effect of brand awareness on repurchase intention mediated by brand loyalty can be accepted. It is also supported by research conducted by Ananda (2018:8) which states that brand loyalty significantly and positively mediates the effect of brand awareness on repurchase intention because consumers will prefer products that are more well-known than products that are not too well known. The creation of brand loyalty will make consumers not switch to competitors who offer similar products. When Kopi Soe Branch of Panakkukang Makassar succeeds in creating brand loyalty, it will create repurchase intention.

4.7 The Effect of Brand Loyalty in Mediating Perceived Quality on Repurchase Intention

Based on the research above, it shows that brand loyalty has an effect on mediating perceived quality on repurchase intention, so the statement regarding the effect of perceived quality on repurchase intention mediated by brand loyalty can be accepted. Research conducted by Vazifehdost and Negahdari (2018: 49) also states that the higher consumer buying interest in a product is influenced by the high level of consumer brand loyalty and the level of brand loyalty is also influenced by perceived quality. Brand loyalty is expressed as a consumer's commitment to a brand which is characterized by repeat purchases (Kurniawan, 2017: 235). The quality of the products offered by Kopi Soe Branch of Panakkukang Makassar has an influence on increasing brand loyalty and repurchase intention because Kopi Soe Branch of Panakkukang Makassar offers good product quality as evidenced by this research, consumers will be willing to pay more and make repeat purchases.

5. Conclusion

Based on the results of the research that has been done, it can be concluded that:

1. Brand awareness significantly influences brand loyalty.
2. Perceived quality significantly affects brand loyalty.
3. Brand awareness significantly influences repurchase intention.
4. Perceived quality has no significant effect on repurchase intention.
5. Brand loyalty significantly influences repurchase intention.
6. Brand loyalty mediates the effect of brand awareness on repurchase intention significantly.

7. Brand loyalty mediates the effect of perceived quality on repurchase intention significantly.

Suggestions for further researchers, further researchers can conduct research using the same variables or add new variables that are not used in this study. In terms of the object of research, further researchers can use different objects in different cities, so that future researchers can get more varied characteristics.

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