

# Measuring Tools for Analyzing Brand Experience and Brand Equity in Tokopedia

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**Abstract:** *Brand equity is very important to the company. Companies need to form good strategies and innovations to build brand equity. In building brand equity (brand awareness, brand association, perceived quality, brand loyalty), companies need to create a good brand experience (sensory, affective, behavioural, intellectual) so that it will affect the company's brand equity. Tight competition among marketplace players, making the company compete - a competition in providing a good brand experience in order to create good brand equity. One of marketplace from Indonesia, Tokopedia is already active in providing brand experience. But it is not yet known whether the experience provided by the company affects brand equity. This study aims to find out if the experience of a brand that has 12 items can be used to measure the equity of brands that have 16 items on Tokopedia. The research method used is quantitative. Trials have been conducted on variable items of brand experience and brand equity. Results show that there are only 26 items declared valid and reliable.*

**Keywords:** Brand Experience, Brand Equity, Marketplace, Tokopedia

## 1. Introduction

The growth of the number of internet users in the world have increased. Based on We Are Social and Hootsuite data, in January 2020 the penetration of internet users in the world reached 59% or about 4.54 billion people from the total world population of 7.75 billion. The number of internet users increased by 7% or about 298 million people from January 2019. This indicates that people are increasingly adaptive to the presence of the internet in everyday life.

The increase in the number of internet users in the world is in line with the increasing number of internet users in Indonesia. Based on We Are Social and Hootsuite data, in January 2020 internet user penetration in Indonesia reached 64% or about 175.4 million people from the total population of Indonesia as many as 272.1 million people. This indicates that more than half of Indonesians use the internet in their daily lives.

Various activities can be done through the internet, one of which is online shopping. Based on We Are Social and Hootsuite data, as many as 88% of total Internet users are marketplace users as a means of online shopping. Various marketplace companies are present and continue to compete to provide a variety of attractive offers to entice customers. The most popular Marketplace from Indonesia is Tokopedia. Based on iPrice Insight (2020) data, Tokopedia is an Indonesian marketplace that has the highest number of monthly web visitors reaching 86 million users in the second quarter. Tokopedia as the best marketplace comes with an online business model that serves as a unifying role between sellers and buyers in buying and selling sites [25].

Intense competition among marketplaces requires companies to provide attractive services and experiences for their users. To overcome the level of competition between marketplaces can be done by increasing the company's value by increasing the brand experience. The benefits of experience have a strong role in determining brand preferences between customers that enable direct relationships between brand

experience (sensory, affective, behavioural, intellectual) to create brand equity (brand awareness, brand association, perceived quality, brand loyalty) [29]. Furthermore, strong brand equity can create competitive advantages that will increase profits for the company [17]. So that the strong brand experience will be in line with strong brand equity[4]. This study adapts Beig and Nika's research (2019) which focuses on analyzing factors that can influence brand experience against brand equity in Tokopedia marketplace which is an Indonesian marketplace with the highest number of monthly web visitors in the second quarter of 2020[11].

## 2. Literatur Review

### Brand Experience

Brand experience is one type of marketing based on experience or experiential marketing where this type of marketing strategy is packaged in the form of activities so as to provide an experience that can affect the hearts of consumers[7]. Experiential marketing is a process of identifying and satisfying customer needs through aspirations, advantages, and two-way communication in order to add brand value to the target consumer. In applying experiential marketing, brand experience is one type of marketing in experiential marketing. Brand experience is the sensation, feeling, cognition and consumer response generated by the brand to the stimuli that are present due to the brand design, brand identity, marketing communication, people and environment of the market[5]. Brand experience has four dimensions, namely Sensory which aims to approach and evaluate customer experience to aesthetic factors and perception through five senses. Affective aims to approach and evaluate experiences through customer emotions. Intellectual that aims to approach and validate the experience through customer thinking. Behaviour that aims to approach and evaluate experiences based on behavior, lifestyle through aspects of consumption.

### Brand Equity

Brand equity is the strength of a brand and is the main thing in marketing research and becomes an attraction for

marketing managers. Brand equity is a set of brand assets and liabilities closely related to a brand, name and symbol that adds or decreases the value that a product or service has given to a company or customer[1]. Brand equity is also an added value to products and services to consumers [13].

Brand equity can enhance the overall brand experience [6]. Brand equity is also an asset for the company [29]. Building brand equity is an effective way of seeking differentiation of products or services offered by companies compared to competitors [12]. Brand equity has four dimensions:

#### 1) Brand Awareness

Brand awareness is defined as the ease of consumers in recognizing and remembering a brand quite clearly and thus resulting in the occurrence of purchasing decisions. Recognizing a brand tends to be easier than remembering a brand so it becomes a strong foundation in brand equity [13].

#### 2) Brand Association

Brand association is defined as the whole thing that concerns thoughts, feelings, perceptions, images, experiences, beliefs, attitudes, and others that have an attachment to the brand as well as long-term memories and short-term memories of consumers [13].

#### 3) Perceived Quality

Perceived quality is perceived as an assessment or consumer perception of the ability of a product among other products with the same category and replacement products [3]. Perception of quality is also the ability of a product or service in providing satisfaction for consumers compared to its competitors. The perception of quality gives an advantage and differentiator compared to its competitors and makes the brand superior. So that the high perception of quality is directly proportional to the high equity of the brand [28].

#### 4) Brand Loyalty

Brand loyalty is defined as a strong commitment for consumers to carry out purchasing activities continuously on a product or service selected consistently and difficult to move to another brand. Brand loyalty provides a barrier to competitors to compete with similar companies and can estimate consumer needs related to the goods and services that the company offers[ 26].

### The Influence Between Brand Experience and Brand Equity

Brand experience that has sensory dimension, affective, intellectual, behaviour is one of the constructions that can be used by companies in building and managing brand equity that has the dimensions of brand awareness, brand association, perceived quality, and brand loyalty. Customer interactions that occur in the service will result in a positive experience that will positively affect brand awareness[16]. Experience felt by a customer on a brand will help customers in increasing brand awareness[18].

Experience plays an important role in the formation of associations in customer memory[13]. The strong brand association is the result of brand experience or with brand communication[2]. So that a positive service experience in a

brand will allow for strong associations resulting in the creation of brand differentiation[13]. In addition to strong associations, the experience felt by the customer towards a product or service can affect the evaluation of overall quality, therefore, the experience of a product or service of a brand is considered important for quality evaluation [24].

Brand experience stored in the minds of consumers for a long time will affect satisfaction and loyalty among consumers[ 14]. Brand experience can form brand loyalty which is the dimension of brand equity actively and can increase the profit of the brand[15]. Experience is a key role in deciding brand preferences among customers that allows for a direct relationship between brand experience and its ability to create brand equity. This will build an emotional bond between the brand and the customer and will indirectly affect brand equity[29].

### 3. Framework

The framework in this study refers to a model developed by Beig and Nika (2019) in a study entitled "Impact of Brand Experience on Brand Equity of Online Shopping Portals: A Study of Select E – Commerce Sites in the State of Jammu and Kashmir". The variables used in Beig and Nika's research include four-dimensional brand experience (sensory, affective, behavioural, intellectual) towards four-dimensional brand equity (awareness, association, perceived quality, loyalty). According to research conducted by Beig and Nika (2019) explained that there is a relationship between the dimensions of brand experience and the dimensions of brand equity.

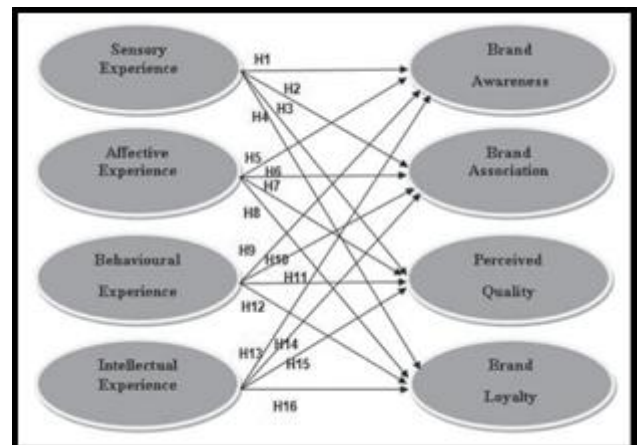


Figure 1: The research framework that adapted from Beig and Nika (2019)

### 4. Measurement Material

Good research results depend on the quality of the data. To produce good data, data collection needs to meet good data criteria so that validity tests are carried out. Validity test as something that shows the extent to which a measuring instrument can measure what it wants to measure so that it can be concluded that the higher the validity of a measuring instrument, the more precision the measuring instrument will be[10]. Validity is also the level of determination between the data of the research object and the result data reported by the researchers so that the creation of data similarity

between the data collected and real data on the object being studied [21]. After performing a validity test, a reliability test is required. Reliability testing is defined as a reliability testing process of a data [19]. Furthermore, reliability tests

relate to the level of trust, reliability, consistency, or stability of the results of a measurement[10]. Reliability testing results in Cronbach's Alpha value. Table 1 shows 28 items from the overall brand experience and brand equity.

**Table 1: Questionnaire Items**

| Items | Item of Sensory Experience  |
|-------|---|
| SEN1  | My 'favourite e-commerce brand' makes a strong impression on my visual sense.   |
| SEN2  | I find my 'favourite e-commerce brand' interesting in a sensory way   |
| SEN3  | My 'favourite e-commerce brand' does not appeal to my visual sense  |
| Items | Item of Affective Experience  |
| AFF1  | My 'favourite e-commerce brand' induces feelings and sentiments.  |
| AFF2  | I do not have strong emotions for my 'favourite e-commerce brand'.  |
| AFF3  | My 'favourite e-commerce brand' is an emotional brand.  |
| Items | Item of Behavioural Experience  |
| BEH1  | I engage in physical actions and behaviours when I use services of my 'favourite e-commerce brand'.   |
| BEH2  | My 'favourite e-commerce brand' results in bodily experiences   |
| BEH3  | My 'favourite e-commerce brand' is not action oriented.   |
| Items | Item of Intellectual Experience   |
| INT1  | I engage in a lot of thinking when I encounter my 'favourite e-commerce brand'.   |
| INT2  | My 'favourite e-commerce brand' does not make me think.   |
| INT3  | My 'favourite e-commerce brand' stimulates my curiosity and problem solving.  |
| Items | Item of Brand Awareness   |
| BAW1  | Some characteristics of my 'favourite e-commerce brand' come(s) to my mind quickly  |
| BAW2  | I can quickly recognize my 'favourite e-commerce brand' among other e-commerce brands.  |
| BAW3  | I am familiar with my 'favourite e-commerce brand'  |
| Items | Item of Brand Association   |
| BAS1  | In comparison to other e-commerce brands 'my favourite e-commerce brand' has a very unique image.   |
| BAS2  | I respect and admire people who shop from my 'favourite e-commerce brand'   |
| BAS3  | I like the brand image of my 'favourite e-commerce brand'.  |
| BAS4  | My 'favourite e-commerce brand' is a customer friendly company.   |
| Items | Item of Perceived Quality   |
| PQ1   | I trust the quality of the products provided by my 'favourite e-commerce brand'.  |
| PQ2   | Products provided by my 'favourite e-commerce brand' are of good quality.   |
| PQ3   | My 'favourite e-commerce brand' provides excellent services.  |
| PQ4   | Services offered by my 'favourite e-commerce brand' are reliable  |
| Items | Item of Brand Loyalty   |
| BL1   | I consider myself to be loyal to my 'favourite e-commerce brand'  |
| BL2   | 'My favourite e-commerce brand' would be my first choice when shopping online.  |
| BL3   | I will keep buying from my 'favourite e-commerce brand' as long as it provides me good products and excellent services.   |
| BL4   | I am still willing to buy from my 'favourite e-commerce brand' even if the price of products provided by it is a little higher than of other e-commerce brands. |
| BL5   | I would love to recommend my 'favourite e-commerce brand' to my friends.  |

## 5. Method and Result

Research methodology is a systematic procedure that is carefully arranged with the aim of investigating a particular problem with the ultimate goal of obtaining information and solutions to existing problems [20].

**Table 2: Research Characteristics**

| No. | Research Characteristics     | Type                      |
|-----|------------------------------|---------------------------|
| 1.  | Based on Method              | Quantitative              |
| 2.  | Based on Destination         | Conclusive                |
| 3.  | Based on Investigation Type  | Causal                    |
| 4.  | Based on Engagement          | Not Interfering with Data |
| 5.  | Based on Analysis Unit       | Individual                |
| 6.  | Based on Implementation Time | Cross Section             |

Based on research methods, this research uses quantitative methods. Quantitative method is one of the methods that aims to test objective theory by examining the relationship between variables [8]. Furthermore, this variable can be measured specifically with the help of certain instruments

with the final result of data in the form of numbers that can be analyzed with procedural statistics. Quantitative research is a type of research that has the final results of findings that can be obtained by procedure or other means of measurement [22]. Based on the purpose of the research, this research uses conclusive research. Conclusive research aims to find influences between variables and look at positive or negative relationships in those variable relationships[ 10]. Causal research is a causal relationship that has independent indicators and dependent indicators [21]. Based on the type of research, this study uses causal type where the research is done if the researchers want to describe the cause of a problem [10].

Furthermore, the researchers did not intervene in any data so that the researchers set the setting of non-contrived research setting which is a study with normal or natural environmental conditions [10]. And based on the analysis unit, this study has an individual type. Based on the time of implementation, this research is categorized as cross sectional research that allows the collection of data and

information within a certain period of time, then the data is processed, analyzed and drawn conclusions [10].

This study analyzed the dimensions of brand experience and brand equity dimensions by using 28 questionnaire items distributed to 30 respondents. Data processing uses IBM AMOS 26 with a significance of 5%. Reliability test using Cronbach's Alpha value. Terms of validity and reliability value are as follows:

- a) If the value of factor loading or standardized loading estimate >0.50, and Cronbach's Alpha value >0.60, then the item can be said to be a valid item.
- b) If the factor loading value or standardized loading estimate <0.50 and Cronbach's Alpha <0.60, then the item can be said to be an invalid item.

**Table 3: Validity and Reliability Test**

| Items | Factor Loading | Cronbach's Alpha |
|-------|----------------|------------------|
| SEN1  | 0,731          | 0,729            |
| SEN2  | 0,947          |                  |
| SEN3  | 0,518          |                  |
| AFF1  | 0,881          | 0,749            |
| AFF2  | 0,546          |                  |
| AFF3  | 0,786          |                  |
| BEH1  | 0,994          | 0,831            |
| BEH2  | 0,727          |                  |
| INT1  | 0,584          | 0,675            |
| INT3  | 0,872          |                  |
| BAW1  | 0,597          | 0,732            |
| BAW2  | 0,824          |                  |
| BAW3  | 0,689          |                  |
| BAS1  | 0,877          | 0,747            |
| BAS2  | 0,555          |                  |
| BAS3  | 0,727          |                  |
| BAS4  | 0,671          |                  |
| PQ1   | 0,704          | 0,814            |
| PQ2   | 0,673          |                  |
| PQ3   | 0,779          |                  |
| PQ4   | 0,757          |                  |
| BL1   | 0,889          | 0,876            |
| BL2   | 0,884          |                  |
| BL3   | 0,829          |                  |
| BL4   | 0,639          |                  |
| BL5   | 0,628          |                  |

Based on validity test results in 30 respondents, it is known that items BEH3 (-0235) and INT2 (-0269) are invalid. So that BEH3 and INT2 items are removed and the remaining 26 items to be processed at the next stage.

**6. Conclusion**

Based on the processed data, it can be concluded that the distribution of questionnaires has been carried out to Tokopedia users. There are 26 items out of 28 items that are declared valid and reliable. Therefore, these 26 items can be used in further studies to measure the influence of brand experience on Tokopedia Indonesia's brand equity.

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