THE INFLUENCE OF BRAND OFFERING AND BRAND EVALUATION ON CONSUMER PREFERENCE FOR LA REIA AND HARVEST IN SURABAYA AREA

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Abstract - This research done to helps to explain non-price antecedents of consumer preference for cyber which is La Reia and extension brands which is Harvest that can influence on consumer preferences in Surabaya. Another objective of this research is to explore more about the relationship between brand offering, internet shopping experience, brand character, brand familiarity, brand evaluation, and brand for La Reia and Harvest Cake in Surabaya.

This research is a quantitative research, and causal type research. In this research, the data was processed through Structural Equation Modelling (SEM) by using LISREL. This research uses sample characteristics which consumer who ever purchase in La Reia and Harvest Cake Surabaya through the website or social media minimum twice. The data is a primary data which obtained from the questionnaires which was distributed to 150 respondents.

This research result indicated that Non-price antecedents have a significant influence towards consumer preference such as offering and evaluation of a web brands for La Reia and Harvest in Surabaya.

Keywords: brand evaluation, brand offering, brand preference, cyber brands, extension brands

Abstrak - Penelitian ini dilakukan untuk membantu menjelaskan aspek non-harga terhadap preferensi konsumen untuk merek maya yaitu La Reia dan merek ekstensi yaitu Harvest yang dapat mempengaruhi preferensi konsumen di Surabaya. Tujuan lain dari penelitian ini adalah untuk mengeksplorasi lebih lanjut tentang hubungan antara merek yang menawarkan pengalaman belanja internet, karakter merek, keakraban merek, evaluasi merek, dan merek untuk La Reia dan Harvest di Surabaya.

Penelitian ini merupakan penelitian kuantitatif dengan jenis penelitian kausal. Dalam penelitian ini, data yang diproses melalui Structural Equation Modelling (SEM) dengan menggunakan LISREL. Penelitian ini menggunakan karakteristik sampel yang konsumen yang pernah membeli di La Reia dan Harvest Surabaya melalui website atau media sosial minimum dua kali. Data adalah data primer yang diperoleh dari kuesioner yang dibagikan kepada 150 responden.
Hasil penelitian ini menunjukkan bahwa aspek non-harga memiliki pengaruh yang signifikan terhadap preferensi konsumen seperti penawaran dan evaluasi merek web untuk La Reia dan Harvest di Surabaya.

**Kata kunci**: evaluasi merek, penawaran merek, preferensi merek, merek maya, merek ekstens

**INTRODUCTION**

The development and improvement of technology has greatly improved and changes the way of life. In Indonesia, the usage of technology is increasing from 55 million people to 63 million people which are 24% from the total population (Source: Magazine Tempo December Edition, 2012). It has makes life becomes easier and comfortable to connect with people in many ways. As the Internet user is growing rapidly in the world, people tend to do everything online. One of the famous activities now is about online shopping. Internet do not only act as a networking media, but also as the transaction medium at global market which soon become the dominant retailer in the future as online shopping has no definition for time, people, and place.

Online shopping becomes new behavior of people in the world wide and it is increasing year by year (Source: http://www.wwwmetrics.com/shopping.htm). Online shopping means customers purchase their need by online just use the internet and even the payment system can be done by online payment. Nowadays people are turning to online shopping to fulfill their needs. Clothes, shoes, even foods and beverages can be purchased via the internet. Why this can happen all over the world? People can compare the benefits by using online shopping and using traditional market. Researchers such as Hoffman, Novak, and Chatterjee(1995), Alba, Lynch, Weitz, and Janiszewski (1997),and Peterson, Balasubramanian, and Bronnenberg(1997) have discussed benefits of online shopping.

People will tend to buy online compare with physical store mostly because they do not have enough time and believe that more affordable price is from the online
shopping (Source: http://www.marketingcharts.com/wp/direct/time-1-reason-for-shopping-online-18528/). Price is an important factor affecting consumer preference for online brands and, not surprisingly, has played a dominant role in the internet marketing literature (Saaksjarvi and Samiee, 2007). When customer can get the same products with the different price for sure they will choose to buy the cheaper one.

However, non-price factors also affect people to purchase online. People will not just buy the product and do not care about the price since price is the cost to get the benefit. People will looks again about the quality and the brand that being offered by an online shop. Brand offering, internet shopping experience, brand character, brand familiarity, and brand evaluation can affect people to purchase online. Price comparisons and the identification of the site offering the lowest price for a given product are viewed by many as the most important, if not the only, factors that would influence consumers’ preferences among Web brands (e.g., Ancarani & Shankar, 2004; Pan, Ratchford, & Shankar, 2002, 2004; Tang & Xing, 2001; Xing, Yang, & Tang, 2006). Nowadays, web-brands become more popular and results different impact in purchase intention between cyber and extension brands. Cyber brands are stand-alone brands such as Amazon, Yahoo!, and eBay. This paper will explore consumer brands preferences in online shopping between two sets of web-brands which is brands that exist only in the internet and brands that have been extended from established market-based retailer.

The object used in this study is La Reia as the cyber brands and The Harvest as the extension brands. Researcher chooses these two objects that sell pastry products because nowadays pastry industry in Indonesia is growing rapidly. The researcher wants to know and analyze more about pastry industry in Indonesia that shows a non-price factors for consumers to buy online and this research wants to investigate further about the non-price factors that affect people to purchase
La Reia Cake is a cake company that sells many kinds of product of pastry such as Jasmine Green Tea, Strawberry Field, Chocolate Factory and Oreo Cheese(https://www.facebook.com/lareiacakerie). La Reia Cake started last year around March 2013, Karin made her first Mille Crêpes just to finish the leftover cream in the fridge. Since she couldn't finish the whole cake, she gave a few slices to Andrea who at that moment was styling for Boncafé's menu. Without any intention of selling the cake, the Boncafé's CEO and some friends started to order the cake. That triggered the idea of making a small business out of it. Moreover, there was no other shop that sells Mille Crêpes. So with passion and creativity, Karin and Andrea joined forced to make an online cake-shop on March 10, 2013, Laréia Cake & Co. was born. (http://instagram.com/lareiacakerie). La Reia is also cake that now is booming especially in Surabaya area. (http://www.uc.ac.id/events/latest-news/take-your-action-now). Other than Surabaya, La Reia cake is also in Jakarta city. The web brand of La Reia is http://www.lareiacakerie.com/.

The Harvest was established in 2004, The Harvest is the pioneer in European style pastry shop chain in Indonesia. This cake company is under the PT. Mount Scopus Indonesia with 20 outlets and growing in both major and small cities of Indonesia such as Jakarta, Surabaya, Bandung, Malang, Bogor, and Bali. The Harvest steadily delivers promise of good quality and service to its stakeholders at large. The most favorite’s cakes in Harvest are Chocolate Devil, Strawberry Cheesecake, and Opera cake (http://news.detik.com/bandung/read/2010/12/04/093809/1508986/678/aneka-cake-sekelas-hotel-bintang-lima-di-the-harvest). The web brand of Harvest is http://www.harvestcakes.com/.
RESEARCH METHODOLOGY

This research uses a causal research which includes in the type of conclusive research by using the quantitative approach. According to Hair et al. (1995), “causal relationship is dependence relationship between two or more variable in which the researcher clearly specify that one or more variable cause or create an outcome represented by at least one other variable must meet the requirement for cuasation”. This research has a purpose to see the relation in hypotheses by showing a cause and a consequences effect in La Reia Cake and Harvest Cake towards the non-price antecedents to customer preferences.

This research uses several primary data, which is obtained directly from the source which is questionnaire. The questionnaire will be given in different time, which is one for La Reia Cake and the other one is for Harvest Cake. The questionnaire will be answered by the respondent in Surabaya. The scale in this research is use the Likert interval scale which has the same range and homogenous with different value in each number. The type of the scale is use the numerical scale which is start from 1 to 7.

The target characteristic of the population is the consumer of the La Reia Cake and Harvest Cake. The population of this research is male or female whose age is ranged between 17 until 35 years old and domiciled in Surabaya. There are also some criteria which include that the respondents must be experienced in buying La Reia Cake and Harvest Cake through website twice last three months before or after February 2014. With all of these criteria, the researcher could expect that the respondents will understand the questions provided in the questionnaires and can give the most objectives answer about the question itself.

Data processing model used for analyzing is Structural Equation Modeling (SEM). Before the data is processed, the researcher did both validity and reliability test using SPSS 21.0 for windows. After the result is valid and reliable, the data is processed by LISREL 8.70 to find out the Chi –Square Statistics,
RMSEA, GFI, AGFI, TLI, CFI, and CMIN / DF. Moreover, the researcher also did the composite reliability and variance extracted test.

RESULT AND DISCUSSION

After the result of data processing is claimed as both valid and reliable, researcher describes the research data which found 100% respondents are as the criteria as explain before. The researcher also analyze further about the mean value and standard deviation of each statements. Afterwards, measurement model of the study is done which obtained from the processing of the data using LISREL 8.70 software. In first running, the result explains that the model is not fit. Thus, the researcher eliminates indicators which have Std.Loading < 0.5 to make better fit model. Therefore, the second of measurement model is run, and the result explains the model tested has met the requirement criteria.

Table 1. La Reia’s Measurement Model Fit Result in Second Running

<table>
<thead>
<tr>
<th>No</th>
<th>Fitness Test</th>
<th>Suitability Criteria</th>
<th>Result</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chi - Square Statistics</td>
<td>Expected to be small, p &gt; 0,05</td>
<td>13,2</td>
<td>Not Fit</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0,21284</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>RMSEA</td>
<td>RMSEA ≤ 0,08</td>
<td>0,046</td>
<td>Good Fit</td>
</tr>
<tr>
<td>3</td>
<td>GFI</td>
<td>GFI ≥ 0,9</td>
<td>0,98</td>
<td>Good Fit</td>
</tr>
<tr>
<td>4</td>
<td>AGFI</td>
<td>AGFI ≥ 0,9</td>
<td>0,92</td>
<td>Good Fit</td>
</tr>
<tr>
<td>5</td>
<td>TLI / NNFI</td>
<td>TLI ≥ 0,9</td>
<td>0,91</td>
<td>Good Fit</td>
</tr>
<tr>
<td>6</td>
<td>CFI</td>
<td>CFI ≥ 0,9</td>
<td>0,97</td>
<td>Good Fit</td>
</tr>
<tr>
<td>7</td>
<td>CMIN/DF</td>
<td>CMIN/DF ≤ 2</td>
<td>1,332</td>
<td>Good Fit</td>
</tr>
</tbody>
</table>

Table 2. Harvest’s Measurement Model Fit Result in Second Running

<table>
<thead>
<tr>
<th>No</th>
<th>Fitness Test</th>
<th>Suitability Criteria</th>
<th>Result</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Chi - Square Statistics</td>
<td>Expected to be small, p &gt; 0,05</td>
<td>26,27</td>
<td>Not Fit</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0,00339</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>RMSEA</td>
<td>RMSEA ≤ 0,08</td>
<td>0,1</td>
<td>Not Fit</td>
</tr>
<tr>
<td>3</td>
<td>GFI</td>
<td>GFI ≥ 0,9</td>
<td>0,96</td>
<td>Good Fit</td>
</tr>
<tr>
<td>4</td>
<td>AGFI</td>
<td>AGFI ≥ 0,9</td>
<td>0,85</td>
<td>Marginal Fit</td>
</tr>
<tr>
<td>5</td>
<td>TLI / NNFI</td>
<td>TLI ≥ 0,9</td>
<td>0,72</td>
<td>Marginal Fit</td>
</tr>
<tr>
<td>6</td>
<td>CFI</td>
<td>CFI ≥ 0,9</td>
<td>0,90</td>
<td>Good Fit</td>
</tr>
<tr>
<td>7</td>
<td>CMIN/DF</td>
<td>CMIN/DF ≤ 2</td>
<td>2,772</td>
<td>Marginal Fit</td>
</tr>
</tbody>
</table>
After did the structural model, researcher test the reliability using variance extracted and composite reliability. After all variables claimed as valid and reliable, researcher did a structural model test using LISREL 8.70. In hypotheses testing, it is done by looking at the value of T-value for each coefficient. T-value is significant if > 1.96, which means hypothesis is accepted. The T-value is not significant if < 1.96, which means hypothesis is rejected. Moreover, the degree of influence between variables is done by looking at estimate value which larger value indicates greater influence among the variables to each other. The detail of explanation of the evaluation of the structural model coefficients and degree of influence with their relation to the research hypothesis is shown in table 3 and 5.

Figure 1. La Reia’s T-Value Structural Model

Table 3. Evaluation of Structural Model Coefficients and Degree of Influence with Their Relation to the Research Hypothesis on La Reia

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path</th>
<th>T-Values</th>
<th>Estimate</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>BO→BE</td>
<td>3.33</td>
<td>0.43</td>
<td>Significant (Hypothesis Supported)</td>
</tr>
<tr>
<td>H2</td>
<td>BO→BE</td>
<td>-0.12</td>
<td>-0.01</td>
<td>Not Significant (Hypothesis Not Supported)</td>
</tr>
<tr>
<td>H3a</td>
<td>ISE→BE</td>
<td>-0.54</td>
<td>-0.06</td>
<td>Not Significant (Hypothesis Not Supported)</td>
</tr>
<tr>
<td>H4</td>
<td>BC→BE</td>
<td>0.72</td>
<td>0.09</td>
<td>Not Significant (Hypothesis Not Supported)</td>
</tr>
<tr>
<td>H5a</td>
<td>BF→BP</td>
<td>1.55</td>
<td>0.13</td>
<td>Not Significant (Hypothesis Not Supported)</td>
</tr>
<tr>
<td>H6</td>
<td>BE→BP</td>
<td>3.91</td>
<td>0.42</td>
<td>Significant (Hypothesis Supported)</td>
</tr>
</tbody>
</table>
Based on the result on the hypotheses testing, it can be concluded that there is non-price factors that can affect consumer preference for both La Reia and Harvest in Surabaya area. Four hypotheses are proven, this condition is line with previous study conduct by Saaksjarvi & Samiee (2007).

In hypothesis 1, it can be concluded that the brand offerings is positively related to consumer evaluation of Web brands. This proves that hypothesis 1 is generally acceptable, and is consistent with the previous researches that conduct by Saaksjarvi & Samiee (2007). This also proves research study that stated, research
has demonstrated that a web brand’s breadth and depth offerings have an impact on consumer intention to purchase from that site (Wolfinbarger & Gilly, 2001). In the hypothesis 1, researcher obtains t-value for 3, 33 and estimate value for 0, 43 for La Reia. For Harvest Cake, researcher obtains t-value for 2, 24 and estimate value for 0, 24 for Harvest Cake. By doing so, it can conclude that breadth of brand offering is positively related to consumer evaluation of Web brands. When a company can provide more offering it is related to the evaluation of the consumer about the web brands itself. More offering will impact to more evaluation from the consumer.

Based on the result of causality model for hypothesis 6, researcher found that the t-value for La Reia of 3, 91 and estimate value 0,42 showing that Brand Evaluation has been proven to influence to Brand Preference in La Reia Cake. For Harvest Cake, the researcher found a result that shows the t-value is 4, 33 and estimate value is 0,4. Thus, hypothesis 6 is accepted. As expected, results obtained from hypothesis 6 is in line with existing study conducted by previous study which they found that brand evaluation had an effect on brand preference (Saaksjarvi & Samiee, 2007). This study also proves a previous study that stated “A positive evaluation of a brand is likely to lead to preference for the brand (Hoek, et.al 2000”). Therefore, this research shows that brand evaluation is positively related to brand preference for Web Brands both La Reia and Harvest. Consumer led to more prefer that have good evaluation of web brands. Consumers with prior experience from a product category or brand are likely to possess well-developed judgments criteria when evaluating a brand and, consequently, know what they like and dislike about it (Bettman & Sujan, 1987). Therefore, a positive result of brand evaluation of La Reia and Harvest affectes the prefernce for that brand in Surabaya.
CONCLUSION AND RECOMMENDATION

Based on the result on the hypotheses test, it can be obtained a conclusion that from 8 main hypothesis were developed, 4 of them are proven, and 4 of them are not. The following explanation tends to be specific as follow.

1. The breadth of brand offering is positively related to consumer evaluation of La Reia and Harvest
2. The breadth of brand offerings is not positively related to consumer familiarity with La Reia and Harvest
3. A consumer’s prior Internet shopping experience is not positively related to the evaluation for La Reia
4. A consumer’s prior Internet shopping experience is not positively related to the evaluation of Harvest Cake
5. Brand character is not positively related to the evaluation of La Reia and Brand character is positively related to the evaluation of Harvest
6. Brand Familiarity has not a positive effect on brand preference for La Reia
7. Brand Familiarity does not have an effect on brand preference for Harvest
8. Brand evaluation is positively related to brand preference for La Reia and Harvest

Although 4 main hypotheses are proven in this study, the model has already described the fact’s result. It is provable from the goodness of fit test result that indicates the level of fitness that can be concluded as good.

The finding of this result also provides suggestions to both La Reia and Harvest Cake.

a. First, for both La Reia and Harvest Cake need to always care about the product that being offered to all consumers or any people. Since every people will do evaluation of the product, it is become important point for both to always consider about the quality of the product.
b. Second, about the evaluation of the consumer as shown in this study have a high estimate value tested. By doing so, when a consumer can have better evaluation it can directly impact to the preferences for the consumer compare to the other competitor. If both companies can do that, it can give positive impact to the company because most of the consumers have a good opinion about the product and it can give better profit for this both patisserie company in Surabaya. The word of mouth is one of the tools that people use to evaluate the product. So, it is better for both to always taking care about the product such as the quality and the value delivered to consumer. As explain before, web brands that convey a unique and memorable brand are more likely to be successful.

b. Third, from this study, it can be conclude that for both La Reia and Harvest need to develop more online marketing strategy from the consumer that fully exploit non price antecedents to ensure that La Reia and Harvest online brands are preferred over others.

c. Fourth, this study results that La Reia needs to work harder on attaining consumer preference compare to Harvest. La reia needs to have better character to have more favorable decision from the consumers that can affect the preferences. So, La Reia should develop an effective marketing strategy with a focus or specialize on enhancing the brand character, brand offering, and brand familiarity.

In the end, this study has a limitation. This limitation can open up opportunities for further research in the future.

a. The limitation is that researcher only considered about brand. Future research can add some different aspects in more detail such as adding more indicators tested in each variables, adding the amount of the sample, and also broader the characteristic of the respondents.

b. Second, the result of this study has enriched the current study about brand
preference in Indonesia, especially in terms of Cake Company. Future research can be in terms of clothing line such as Cloth Inc (cyber brands) and Nyla Boutique Indonesia.

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