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How Brand Equity Can Saves Its Company? A Study of One of the Largest E-Commerce in Indonesia

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Abstract

Marketing management is an activity that is planned and organized including the distribution of goods, pricing and monitoring of policies that have been made which aim to gain a place in the market so that the objectives of marketing can be achieved. Online marketing media in the digital era seems to be the prima donna of solving solutions, therefore business actor's flock to take advantage of online marketing media as a driving force for the wheels of their business. The type of research used in this study was quantitative research. In this study, data processing and analysis used the Partial Least Square (PLS) approach. PLS is a component-based or variant-based Structural Equation Modeling (SEM) equation model. The data analysis in this research is the Outer Model Analysis, Inner Model, and Hypothesis Testing. This research results that the price has an effect on Brand Image. Product Quality has an effect on Brand Image. Service Quality affects Brand Image. Price affects Promotion. Product Quality affects Promotion. Quality of Service affects Promotion. Promotion affects Brand Image. Promotion moderates the relationship between Price and Brand Image. Promotion moderates the relationship between Product Quality and Brand Image. Promotion can moderate the relationship between service quality and brand image.

Keywords: Brand Equity, Price, Product Quality, Promotion, Service Quality

1. Introduction

1.1 Introduction

Marketing is one of the main activities for entrepreneurs to maintain the viability of their business in order to grow and earn a profit. In addition, marketing knowledge is also very useful so that companies can compete and survive in the competition. Achieving business objectives is highly dependent on expertise in marketing, production, finance and other fields, as well as the ability to combine these functions so that the organization can run smoothly. The role of promotion is essentially a form of marketing communication that aims to encourage demand, what is meant by marketing communication is a marketing activity that seeks to disseminate information, influence and

or remind the target market of the company and its products to be willing to accept, buy, and be loyal to the product or service that is offered by the company concerned. Promotion is one of the ways used by companies to introduce their brands to a wide audience, the success of promotions is strongly influenced by how the company describes its brand in an attractive and unique way to reach the minds of consumers, so that consumers can capture the intent and purpose of the promotion. So that promotion has a significant influence on brand image (Allaham, 2015).

Promotion is an important marketing activity in informing, persuading, reminding products or services in several ways, namely by doing advertising (advertising), sales promotion (selling promotion), public relations (public relations), personal selling (personal selling), direct marketing and marketing online (direct & online marketing), and information by word of mouth (word of mouth) a promotion if done properly will have an impact on both the company and the image of the company. From the three theories above, it can be concluded that the role of promotion is the most important thing in marketing and has a big impact on brand ideals.

Online marketing media in the digital era seems to be the prima donna of solving solutions, therefore business actor's flock to take advantage of online marketing media as a driving force for their business wheels (Rohimah, 2018). According to PFS, a global e-commerce consulting agency, Indonesia is estimated to be one of the fastest-growing e-commerce markets in the Asia Pacific in the coming years. Several start-up companies in Indonesia have used online market media to develop their businesses with various payment methods, from cash on delivery (COD) payments, e-money, to credit cards. Utilization of the internet, especially as a medium of trading and buying and selling for both the business-to-business and business-to-customer level, is currently one of the needs of every company (Turban, 2017).

From the theory above, it can be concluded that digital marketing is no longer an obstacle for marketers to market goods and services by utilizing an internet connection and online marketing can be a solution to drive the wheels of business and become a source of reference for consumers because of the ease, flexibility and efficiency provided. Then with the presence of Electronic Word of mouth consumers will have more confidence, and the advantage for the company is to reduce advertising costs.

Lazada is part of the Lazada Group, which is the online shopping destination in Southeast Asia, which was founded in 2012. In the first few years Lazada managed to become the number one market place for consumers' choice and the most visited in 2017 based on the results of the iprice.com survey. However, it continues to decline until in the first quarter of 2019 it is ranked fourth to date in 2021. Price problems are caused by the competitiveness of cheaper prices which have an impact on purchasing decisions. Consumers are faced with various choices of online buying and selling sites with almost the same concept. Relatively the same price, in the end, can allow consumers to switch from one online shop site to another, even more so if an online shop site offers superior characteristics. In addition to the price offered, consumers who will make the purchase process will usually look for the quality of the product they want. Consumers can see reviews given by other consumers who have bought similar products, making it easier for potential consumers to consider the product to be purchased has good quality or not. If the product to be purchased has good reviews, the decision to make a purchase will definitely occur, because product quality is the totality of features and characteristics of a product or service in satisfying implied needs.

Like product quality, service quality factors play an important role in attracting consumers to make purchases. Service quality is a level of the seller's ability to provide all the expectations of customers in meeting their needs. One of the cases where the quality of service was experienced by Lazada consumers, quoted in mediakonsumen.com, where consumers experienced disappointment with Lazada services, in this case it was stated that the product ordered by the consumer was not delivered, and Lazada was unable to provide a clear reason for the problem, and Lazada only notifies if the product ordered failed to be delivered, for no apparent reason. This case is one of the causes of Lazada's defeat by other e-commerce. Consumers who have had bad experiences with cases of fraud or services that are not excellent in online businesses will have a bad perception of online business and can cause the trust index to be low. From this case, however, Lazada must still attract a lot of visitor interest, therefore Lazada conducts promotions to attract consumer buying interest.

Sales promotion activities through online media websites that are carried out by Lazada Indonesia are a form of communication to consumers in electronic commerce. These activities include the early stages of planning, implementation and the final stages of evaluation. Sales promotion tools used by Lazada include using discount promotion tools, vouchers, flash sales, special offers from partners, and conducting trade show activities to restore consumer confidence in Lazada.

From the consumer's point of view, brand image is often used as an indicator in determining to choose something. Brand image is the image that consumers give to a product or service. The better the quality of the product provided, the better the brand image in the eyes of consumers, as well as other factors, the better and more supportive, the better the image of the brand. A positive impression from customers will improve the brand image of a product, and vice versa, a negative impression from customers will worsen the brand image.

1.2 Prior Studies

Nasution., *et al* (2020) conducted a study with the theme of Influence of Product Quality, Brand Image, Trust, and Price on Purchase Decisions at Shopee E-Commerce, where the research resulted that Price had a significant influence on Purchase Decisions on E-Commerce Shopee, while the Product Quality and Brand Image variables do not have a significant influence on Shopee's E-Commerce Paba Purchase Decision. Then the research of Arief., *et al* (2021) entitled The Effect of Price, Product Quality, Promotion and Brand Image on Vivo Smartphone Purchase Decisions in Palembang City, resulted that the variables Price, Product Quality, Promotion, and Brand Image had a partial and simultaneous positive effect on the decision. Purchase of Vivo Smartphone in Palembang City. There is also a research by Ekaprana., *et al* (2020) which carries the theme The Effect of Product Quality, Service Quality and Brand Image on Repurchase Intentions (Honda Brand), where the research shows product quality, service quality and brand image have a positive and significant effect on intention. Repurchase of Honda motorcycles. Kurniawan and Chandra (2019) conducted a study entitled The Effect of Service Quality and Promotion on Customer Satisfaction Mediated by Brand Image (Case Study of E-Wallet Funds in a Noodle Factory), where the results of the study stated, Promotion had no effect on brand image. Service quality has a positive effect on customer satisfaction. Promotion has a positive effect on customer satisfaction, service quality has a positive effect on brand image. Then Yolanda and Wijanarko (2018) conducted a study entitled The Effect of Promotion and Product Quality on Aqua Drinking Water Purchase Decisions and Its Implications for Brand Image at the Faculty of Economics, University of Borobudur, and the study showed that promotion had a positive and significant effect both directly and indirectly through Brand Image on Purchase Decisions of the Faculty of Economics, Borobudur University. In addition, Antasari (2020) also conducted a study entitled The Effect of Location, Brand Image, and Service Quality on Savings Decisions at Islamic Banks in Semarang Regency, with Advertising Promotion Media as Moderating Variables, in which the results of the study indicate that service quality has a positive effect on brand image, service quality have a positive and significant effect on saving decisions. Promotional variables can moderate the relationship between service quality and brand image.

1.3 Hypothesis Development

Study by Arief., *et al* (2021) shows that price has a significant effect on brand image. So based on the results of previous studies, the following hypothesis was established:

H1: Price Affects Brand Image.

Previous study from Ekaprana., *et al* (2020), showed that Product Quality had a significant effect on Brand Image, and Brand Image had a positive and significant effect on Intentions Repurchase of Honda motorcycles. So from the results of existing research, the following hypothesis is determined:

H2: Product Quality has an effect on Brand Image.

From previous research by Kurniawan and Chandra (2019) where the results show that Service Quality has a positive effect on brand image. Then the hypothesis can be set as follows:

H3: Service Quality Affects Brand Image.

Previous study from Nasution., *et al* (2020) shows that the price variable has an effect on Promotion. The results of previous research from Kulsum (2019) on the transportation service "Gojek" also show that the price variable has an effect on promotion. Based on the above results it was determined the following hypothesis:

H4: The price effect on the Promotion.

Based on earlier research from Rosalina., *et al* (2019) show the results of that variable Product Quality positive effect on promotion. And both have a significant effect on customer satisfaction. So from the results of existing research, the following hypothesis was established:

H5: Product Quality has an effect on Promotion.

From previous research from Solihin., *et al* (2020) which resulted in Service Quality being proven to have a positive effect on Promotion. So from the results of existing research, the following hypothesis is set:

H6: Service Quality has an effect on Promotion.

From prior research, from Yolanda and Wijanarko (2018) where the results of this study are that Promotion has a positive and significant effect both directly and indirectly through Brand Image on Purchase Decisions, the hypothesis is set as follows:

H7: Promotion Affects Brand Image.

From the research results Setiyani., *et al* (2019) with the results of this research is that Promotion can moderate the relationship Price has a positive effect on Brand Image. So the hypothesis is set as follows:

H8: Promotion moderates the relationship between Price and Brand Image.

From the research of Setiyani., *et al* (2019) which results that Promotion can moderate the relationship between Product Quality and Brand Image. So the hypothesis is set as follows:

H9: Promotion moderates the relationship between Product Quality and Brand Image.

From previous research, Antasari (2020) showed that Service Quality had a positive and significant effect on Brand Image, Advertising Promotion media variables were able to moderate the influence of Brand Image and Service Quality on decision to save in Sharia Ban. So that the following hypothesis can be established:

H10: Promotion moderates the relationship between Service Quality and Brand Image.

2. Method

The type of research used in this research is quantitative research. Quantitative research methods are research based on the philosophy of positivism, used to examine certain populations or samples, data collection using research instruments, quantitative or statistical data analysis, with the aim of testing predetermined hypotheses. While the data used in this study consists of two primary data which is a data source that directly provides data to data collectors. The primary data sources in this study are data obtained directly consisting of the number of respondents and the number of respondents' responses. And secondary data, namely data obtained indirectly from the source, which consists of theoretical studies, journals, books, and the internet. The population in this study were all Lazada customers in Jakarta. The sample of this research is people who often shop at Lazada in south Jakarta, who have shopped at Lazada more than twice, aged 17-50 years.

2.1 Research Design

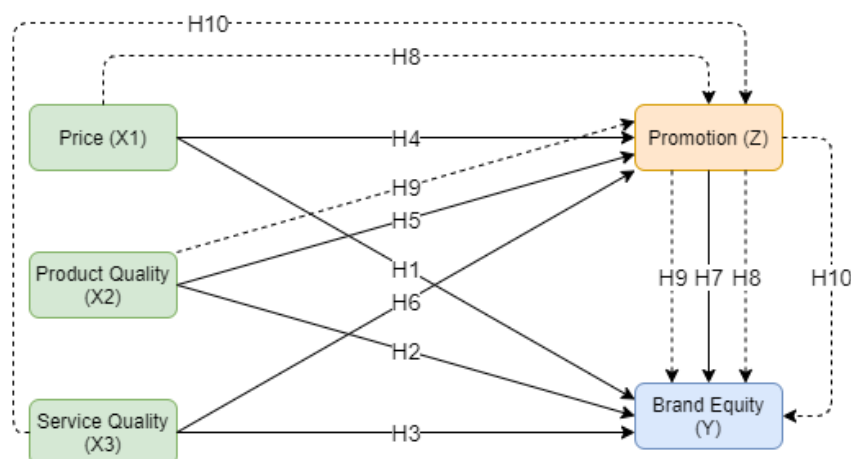


Figure 1: Research Framework

2.2 Structural Equation Modelling (SEM) Analysis

In this study, data processing and analysis used the Partial Least Square (PLS) approach. PLS is a component-based or variant-based Structural Equation Modelling (SEM) equation model. The data analysis in this study is the Outer Model Analysis, Inner Model, and Hypothesis Testing. Analysis of the Outer Model The outer model is often also called outer relation or measurement model, which defines how each indicator block relates to its latent variables. In the analysis of this model, it specifies the relationship between latent variables and their indicators. Inner Model Analysis It is also known as inner relation, structural model and substantive theory, which describes the relationship between latent variables based on substantive theory. Inner Model or Measurement Inner is also known as a structural model. Structural model is a model that relates between variables. In testing the hypothesis, it can be seen from the t-statistical test and the probability value.

3. Results

3.1 Outer Model Analysis

3.1.1 Convergent Validity

Table 1: Outer Loading Table

No	Indicators of Variabel	Outer Loading	Validity	Indicator Evaluation	No	Indicators of Variabel	Outer Loading	Validity	Indicator Evaluation
1	H2	0,677	0,5	Valid	33	PC8	0,749	0,5	Valid
2	H3	0,663	0,5	Valid	34	PC9	0,696	0,5	Valid
3	H5	0,802	0,5	Valid	35	PHC1	0,625	0,5	Valid
4	H6	0,697	0,5	Valid	36	PHC2	0,589	0,5	Valid
5	H7	0,783	0,5	Valid	37	PHC3	0,599	0,5	Valid
6	KL1	0,636	0,5	Valid	38	PHC4	0,66	0,5	Valid
7	KL10	0,795	0,5	Valid	39	PHC5	0,64	0,5	Valid
8	KL11	0,793	0,5	Valid	40	PHC6	0,731	0,5	Valid
9	KL12	0,746	0,5	Valid	41	PHC7	0,695	0,5	Valid
10	KL13	0,739	0,5	Valid	42	PHC8	0,666	0,5	Valid
11	KL14	0,551	0,5	Valid	43	PHC9	0,685	0,5	Valid
12	KL2	0,754	0,5	Valid	44	PKLC1	0,691	0,5	Valid
13	KL3	0,538	0,5	Valid	45	PKLC10	0,493	0,5	Valid
14	KL4	0,672	0,5	Valid	46	PKLC11	0,528	0,5	Valid
15	KL6	0,751	0,5	Valid	47	PKLC12	0,58	0,5	Valid
16	KL7	0,719	0,5	Valid	48	PKLC13	0,638	0,5	Valid
17	KL8	0,76	0,5	Valid	49	PKLC2	0,569	0,5	Valid
18	KL9	0,758	0,5	Valid	50	PKLC3	0,624	0,5	Valid
19	KP1	0,776	0,5	Valid	51	PKLC4	0,624	0,5	Valid
20	KP2	0,798	0,5	Valid	52	PKLC5	0,708	0,5	Valid
21	KP3	0,729	0,5	Valid	53	PKLC7	0,757	0,5	Valid
22	KP5	0,676	0,5	Valid	54	PKLC8	0,644	0,5	Valid
23	KP7	0,76	0,5	Valid	55	PKLC9	0,677	0,5	Valid
24	KP8	0,774	0,5	Valid	56	PKPC1	0,648	0,5	Valid
25	KP9	0,757	0,5	Valid	57	PKPC10	0,616	0,5	Valid
26	PC1	0,658	0,5	Valid	58	PKPC3	0,687	0,5	Valid

27	PC2	0,679	0,5	Valid	59	PKPC4	0,646	0,5	Valid
28	PC3	0,646	0,5	Valid	60	PKPC5	0,593	0,5	Valid
29	PC4	0,523	0,5	Valid	61	PKPC6	0,678	0,5	Valid
30	PC5	0,673	0,5	Valid	62	PKPC7	0,683	0,5	Valid
31	PC6	0,745	0,5	Valid	63	PKPC8	0,654	0,5	Valid
32	PC7	0,747	0,5	Valid	64	PKPC9	0,576	0,5	Valid

The Outer Model measurement model for individual reflective indicator blocks is said to be high if it correlates more than 0.50 with the construct to be measured. However, for research in the early stages of developing a measurement scale the loading value of 0.50 to 0.60 is considered sufficient (Ghozali, 2006). So it can be said that the outer loading above has met Convergent Validity. Table 1 above shown that each indicators for every variable has outer loading value above 0.50, so it can be said that all of the indicators within each variables is valid for further analysis.

Table 2: Average Variance Extracted (AVE)

Variables	AVE Value	AVE Evaluation
Brand Equity	0,507	Valid
Moderate Effect 1	1,000	Valid
Moderate Effect 2	1,000	Valid
Moderate Effect 3	1,000	Valid
Price	0,528	Valid
Service Quality	0,509	Valid
Product Quality	0,568	Valid
Promotion	0,513	Valid

The indicator is considered valid if it has an AVE value above 0.5 or shows that all outer loading dimensions of the variable have a loading value above 0.5 so that it can be concluded that the measurement meets the convergent validity criteria (Ghozali, 2006). Through measurement (outer loading) in table 2 above, it states that all variables and indicators meet the criteria so that they are declared valid with a critical value above 0.5.

3.1.2 Discriminant Validity

Table 3: Cross-Loading Table

Indicators of Variabel	Price	Service Quality	Product Quality	Promotion	Moderate Effect 1	Moderate Effect 2	Moderate Effect 3	Brand Equity
H2	0,677	0,453	0,453	0,387	0,551	0,441	0,447	0,307
H3	0,663	0,525	0,521	0,394	0,514	0,317	0,411	0,348
H5	0,802	0,579	0,603	0,466	0,474	0,427	0,33	0,416
H6	0,697	0,417	0,378	0,346	0,498	0,407	0,028	0,264
H7	0,783	0,525	0,503	0,54	0,518	0,317	0,103	0,502
KL1	0,485	0,636	0,478	0,444	0,025	0,517	0,503	0,377
KL10	0,565	0,795	0,556	0,656	0,528	0,28	0,506	0,603
KL11	0,632	0,793	0,626	0,651	0,448	0,394	0,455	0,577
KL12	0,599	0,746	0,59	0,589	0,505	0,322	0,451	0,443
KL13	0,553	0,739	0,59	0,576	0,483	0,429	0,492	0,482
KL14	0,476	0,551	0,44	0,621	0,401	0,44	0,321	0,516

KL2	0,466	0,754	0,509	0,531	0,54	0,55	0,435	0,473
KL3	0,284	0,538	0,599	0,485	0,492	0,637	0,506	0,523
KL4	0,422	0,672	0,477	0,495	0,538	0,62	0,486	0,551
KL6	0,422	0,751	0,425	0,6	0,543	0,468	0,532	0,519
KL7	0,453	0,719	0,505	0,478	0,594	0,516	0,514	0,47
KL8	0,521	0,76	0,509	0,535	0,55	0,458	0,472	0,458
KL9	0,476	0,758	0,524	0,605	0,425	0,523	0,465	0,516
KP1	0,558	0,63	0,776	0,499	0,473	0,456	0,5	0,527
KP2	0,503	0,536	0,798	0,514	0,547	0,613	0,565	0,529
KP3	0,466	0,463	0,729	0,377	0,525	0,489	0,534	0,309
KP5	0,418	0,497	0,676	0,499	0,468	0,453	0,524	0,454
KP7	0,548	0,523	0,76	0,478	0,535	0,603	0,565	0,401
KP8	0,616	0,582	0,774	0,465	0,445	0,544	0,591	0,426
KP9	0,486	0,491	0,757	0,481	0,469	0,451	0,554	0,391
PHC1	0,287	0,471	0,394	0,616	0,481	0,488	0,486	0,658
PHC2	0,389	0,48	0,37	0,587	0,359	0,503	0,461	0,679
PHC3	0,313	0,382	0,574	0,524	0,429	0,609	0,517	0,646
PHC4	0,238	0,313	0,561	0,307	0,532	0,523	0,675	0,523
PHC5	0,294	0,432	0,45	0,397	0,504	0,618	0,548	0,673
PHC6	0,39	0,574	0,454	0,577	0,525	0,45	0,544	0,745
PHC7	0,444	0,495	0,418	0,571	0,529	0,518	0,569	0,747
PHC8	0,376	0,616	0,455	0,669	0,458	0,524	0,561	0,749
PHC9	0,438	0,511	0,561	0,556	0,51	0,629	0,534	0,696
PKLC1	0,457	0,527	0,426	0,625	0,513	0,527	0,504	0,506
PKLC2	0,409	0,502	0,452	0,589	0,584	0,472	0,563	0,535
PKLC3	0,453	0,523	0,359	0,599	0,486	0,481	0,485	0,508
PKLC4	0,443	0,557	0,452	0,66	0,507	0,045	0,457	0,5
PKLC5	0,419	0,599	0,456	0,64	0,448	0,554	0,618	0,518
PKLC7	0,493	0,583	0,527	0,731	0,503	0,536	0,584	0,556
PKLC8	0,461	0,569	0,466	0,695	0,583	0,631	0,468	0,522
PKLC9	0,344	0,435	0,492	0,666	0,544	0,614	0,56	0,544
PKLC10	0,533	0,571	0,425	0,685	0,609	0,6	0,594	0,512
PKLC11	0,39	0,564	0,347	0,691	0,572	0,512	0,518	0,496
PKLC12	0,341	0,299	0,353	0,493	0,631	0,582	0,589	0,399
PKLC13	0,217	0,337	0,19	0,528	0,53	0,568	0,641	0,467
PKPC1	0,205	0,404	0,43	0,58	0,55	0,594	0,6	0,508
PKPC3	0,379	0,512	0,42	0,638	0,42	0,566	0,692	0,554
PKPC4	0,413	0,473	0,456	0,569	0,524	0,551	0,593	0,512
PKPC5	0,225	0,439	0,422	0,624	0,522	0,51	0,639	0,542
PKPC6	0,302	0,352	0,528	0,624	0,456	0,547	0,689	0,458
PKPC7	0,35	0,472	0,353	0,708	0,54	0,618	0,602	0,506
PKPC8	0,369	0,551	0,447	0,757	0,64	0,446	0,668	0,561
PKPC9	0,372	0,549	0,526	0,644	0,425	0,507	0,625	0,539
PKPC10	0,313	0,506	0,565	0,677	0,546	0,574	0,647	0,504
PC1	0,416	0,501	0,451	0,648	0,526	0,638	0,634	0,552

PC2	0,394	0,451	0,427	0,616	0,568	0,567	0,619	0,462
PC3	0,396	0,585	0,453	0,687	0,557	0,564	0,602	0,477
PC4	0,301	0,486	0,547	0,646	0,519	0,61	0,574	0,553
PC5	0,469	0,516	0,465	0,593	0,495	0,518	0,632	0,517
PC6	0,46	0,58	0,569	0,678	0,578	0,565	0,636	0,618
PC7	0,498	0,549	0,582	0,683	0,528	0,629	0,629	0,54
PC8	0,359	0,495	0,448	0,654	0,601	0,622	0,538	0,491
PC9	0,381	0,461	0,511	0,576	0,439	0,58	0,699	0,445

From the table data above, it can be seen that the comparison, the outer loadings of the indicator in the associated construct must be greater than any cross-loadings of the other constructs. So that latent variables can be said to predict their indicators better than other latent variables.

Table 4: Formell-Larcker Criterion

Variables	Brand Equity	Moderate Effect 1	Moderate Effect 2	Moderate Effect 3	Price	Service Quality	Product Quality	Promotion
Brand Equity	0,683							
Moderate Effect 1	0,564	1,000						
Moderate Effect 2	0,632	0,831	1,000					
Moderate Effect 3	0,736	0,858	0,855	1,000				
Price	0,523	0,570	0,546	0,620	0,727			
Service Quality	0,709	0,621	0,600	0,537	0,692	0,713		
Product Quality	0,587	0,545	0,078	0,089	0,683	0,710	0,754	
Promotion	0,802	0,544	0,089	0,624	0,599	0,784	0,634	0,643

The Fornell-Larcker criterion is a second approach to assessing discriminant validity. It compares the square root of the AVE value with the latent variable correlation. In particular, the square root of each AVE construct must be greater than the highest correlation with the other constructs. An alternative approach to evaluating the Fornell-Larcker criterion results is to determine whether the AVE is greater than the squared correlation with other constructs. The logic of the Fornell-Larcker method is based on the idea that constructs share more variance with related indicators than with other constructs. Based on the table above, it can be seen that the AVE value is greater than the quadratic correlation with other constructs. This shows that all the constructs in the estimated model meet the criteria for discriminant validity.

3.1.3 Reliability Test

Table 5: Reliability Test Table

Variables	Cronbach's Alpha value	rho_A	Composite Reliability
Brand Equity	0,856	0,866	0,886
Moderate Effect 1	1,000	1,000	1,000
Moderate Effect 2	1,000	1,000	1,000
Moderate Effect 3	1,000	1,000	1,000
Price	0,777	0,798	0,848

Service Quality	0,918	0,921	0,930
Product Quality	0,873	0,877	0,902
Promotion	0,950	0,952	0,954

Furthermore, the reliability test can be seen from the Cronbach's Alpha value and the Composite Reliability value. To be able to say that a statement item is reliable, then the Cronbach's alpha value must be above 0.6 and the composite reliability value must be 0.7, so it can be concluded that all constructs meet the reliability value because Cronbach's Alpha and Composite Reliability are above the reliability test standard.

3.1.4 Multicollinearity Test

Table 6: Inner Variance Inflation Factor (VIF) Value

Inner VIF Values	Brand Equity	Moderate Effect 1	Moderate Effect 2	Moderate Effect 3	Price	Service Quality	Product Quality	Promotion
Brand Equity								
Moderate Effect 1	4,678							
Moderate Effect 2	4,737							
Moderate Effect 3	5,294							
Price	2,359							2,237
Service Quality	3,599							2,411
Product Quality	2,500							2,349
Promotion	2,882							

The manifest variables or indicators in a formative block must be tested for their multicollinearity. Testing whether or not multicollinearity occurs between indicators in the formative block uses the VIF value. If the VIF value above 10, there is collinearity between indicators in one formative block. From the table results, it shows that the data above is free from multicollinearity.

3.2 Inner Model Analysis

Table 7: R-Square Table

Variables	R-Square	Adjusted R-Square
Brand Equity	0,667	0,642
Promotion	0,629	0,617

The table above shows that the R Square from Brand Equity variable has a moderate value, which is 0.667, which means that the effect of independent variables on Brand Equity is 66.7%, while the rest is influenced by other variables which were not explained in the study. Meanwhile, the Promotion variable reached 0.629 or 62.9%.

3.3 Hypothesis Testing

Table 8: Hypothesis Testing Result

Hypothesis	Original Sample	T-Statistics	P-Values	Results
Price ---> Brand Equity	0,466	8,172	0,000	H ₁ Accepted
Product Quality ---> Brand Equity	0,840	18,803	0,000	H ₂ Accepted
Service Quality ---> Brand Equity	1,506	8,469	0,000	H ₃ Accepted
Price ---> Promotion	0,750	13,375	0,000	H ₄ Accepted

Product Quality ---> Promotion	0,877	14,472	0,000	H ₅ Accepted
Service Quality ---> Promotion	6,349	11,989	0,000	H ₆ Accepted
Promotion ---> Brand Equity	4,781	10,126	0,000	H ₇ Accepted
Price ---> Promotion ---> Brand Equity	0,325	10,100	0,000	H ₈ Accepted
Product Quality ---> Promotion ---> Brand Equity	0,477	10,850	0,000	H ₉ Accepted
Service Quality ---> Promotion ---> Brand Equity	0,021	12,552	0,000	H ₁₀ Accepted

It can be seen in the table above that a population has a relationship between one variable and another variable. It can be seen in the path coefficient (ρ) by looking at the value of the original sample and the statistical T value as a statement of the significance level of the relationship between one variable and other variables.

4. Discussion

Based on information contained in table 8 above, the results of hypothesis testing in this study showed that H1 is received, this is indicated by the value of T statistic $8.172 > 1.96$ and P value $0,000 < 0,050$ thus concluded that the price effect on brand image, where this is in line with research conducted by Arief, *et al* (2021). The results of hypothesis testing in this study indicate that H2 is accepted, this is indicated by the T statistic value of $18,803 > 1.96$ and P value $0.000 < 0.050$ so it can be concluded that Product Quality has an effect on Brand Image, where this is in line with previous research from Ekaprana., *et al* (2020). The results of hypothesis testing in this study indicate that H3 is accepted, this is indicated by the T statistic value of $8.469 > 1.96$ and P value of $0.000 < 0.050$ so it is concluded that Service Quality affects Brand Image, where this result is in line with previous research from Kurniawan and Chandra (2019). The results of testing the hypothesis testing in this study indicate that H4 is accepted, this is indicated by the T statistic value of $13.375 > 1.96$ and P value $0.00 < 0.05$ so that it is concluded that Price affects Promotion, where this result is in line with previous research from Kulsum (2019). The results of hypothesis testing in this study indicate that H5 is accepted, this is indicated by the T statistic value of $14,472 > 1.96$ and P value $0.00 < 0.05$ so that it is concluded that Product Quality affects Promotion, where this result is in line with previous research from Rosalina., *et al* (2019). The results of hypothesis testing in this study indicate that H6 is accepted, this is indicated by a statistical T value of $11.989 > 1.96$ and a P value of $0.00 < 0.05$ so that it is concluded that Service Quality affects Promotion, where this result is in line with previous research from Solihin., *et al* (2020). The results of hypothesis testing in this study indicate that H7 is accepted, this is indicated by the T statistic value of $10.126 > 1.96$ and P value $0.00 < 0.05$ so it can be concluded that Promotion affects Brand Image, where this result is in line with research from Yolanda and Wijanarko (2018). The results of hypothesis testing in this study indicate that H8 is accepted, this is indicated by the T statistic value of $10.100 > 1.96$ and P value $0.00 < 0.05$ so it can be concluded that promotion moderates the relationship between price and brand image, where these results are in line with research Setiani., *et al* (2019). The results of hypothesis testing in this study indicate that H9 is accepted, this is indicated by the T statistic value of $10.850 > 1.96$ and P value $0.00 < 0.05$ so it can be concluded that Promotion moderates the relationship between Product Quality and Brand Image, where these results are in line with research Setiani., *et al* (2019). The results of hypothesis testing in this study indicate that H10 is accepted, this is indicated by a T statistic value of $12,552 > 1.96$ and a P value of $0.00 < 0.05$ so it can be concluded that promotion can moderate the relationship between service quality and brand image, where these results are in line with previous research (Antasari, 2020).

5. Conclusion

Price has an effect on Brand Image. Product Quality has an effect on Brand Image. Service Quality affects Brand Image. Price affects Promotion. Product Quality affects Promotion. Quality of Service affects Promotion. Promotion affects Brand Image. Promotion moderates the relationship between Price and Brand Image. Promotion moderates the relationship between Product Quality and Brand Image. Promotion can moderate the relationship between service quality and brand image.

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