

The Influence of Corporate, User, and Product Images on Purchase Decision of Nitrogen at PERTAMINA Gas Stations

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ABSTRACT

The objective of this paper was to examine the impact of brand image on purchase decision of nitrogen at PERTAMINA Gas Stations. It used associative research and data was collected through a field survey from three Green Nitrogen outlets at different PERTAMINA Gas Stations. A set of questionnaires was distributed to 114 customers of green nitrogen outlets in Jakarta. Multiple regression analysis assessed the impact on purchase decision of three key constructs of brand image, including corporate image, user image, and product image. The results showed three components, namely corporate image, user image, and product image simultaneously had a significant influence on the purchase decision. However, corporate image and product image were variables that had a significant influence. Product image was a variable that had the most significant influence, while user image had no significant influence on purchase decision.

Keywords: Brand image, corporate image, product image, purchase decision, user image

INTRODUCTION

Flat tyres are a bane for drivers. However, a survey of 10 drivers on “What is the biggest

concern before driving a car?” showed that 6 drivers cared for the body of the car, 3 stressed on the importance of fuels indicator, and only 1 checked the conditions of their tyre (Wijaya, 2013).

The respondents had used tire air produced by the compressor, which is not good for tyres. The air in the tire consists nitrogen (78%), oxygen (20%), water, and other gases such as carbon and hydrogen. These elements may cause instability, such

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as expansion of tyres during the heat or deflation during low temperatures. If this issue is ignored, accidents happen when the tyres burst.

Nitrogen is an option but it is difficult to change the purchasing behaviour of consumers due to their force of habit. According to Wijaya (2013), the air produced by Nitrogen Generator, namely nitrogen gas, can provide stable temperatures. Nitrogen is deemed unique because it is an odourless compound, non-toxic, non-flammable or, and does not readily react with other compounds.

Natural air produced by the compressor is what is mostly commonly used in tyres. This contains various elements, such as nitrogen (78%), oxygen (20%), water, carbon, hydrogen, and others.

The air produced by the compressor is not good as the presence of oxygen can cause a sudden increase in the temperature which will in turn increase the pressure on the tyres and the latter will burst on impact. In contrast to the nitrogen produced by Nitrogen Generator, this machine can separate various elements contained in the natural gas into a single element, namely nitrogen gas. Excess nitrogen gas in tyres can avoid an increase in temperature to reduce the likelihood of the tyre bursting.

Purchasing decisions as defined by Peter and Olson (2000) is a process of integration that combines the knowledge to evaluate the behaviour of two or more alternatives and choose one of them. According to Schiffman

and Kanuk (2008), if consumers do not have experience with a product, they tend to trust preferred or famous brands.

According to Lin and Lin (2007), the company should strengthen its brand position to create a positive and strong brand image in the minds of consumers so that they recognise the product, evaluate the quality, reduce the risk of purchase, and gain experience and satisfaction of certain product differentiation.

Awareness of the benefits of nitrogen for tyres is long overdue and businesses should advertise heavily so drivers know where they can source nitrogen for their tyres. It took a year for nitrogen to become popular and be a choice for society.

Green Nitrogen is a brand image at PERTAMINA Gas Stations. It is difficult to change consumer's purchasing behaviour that has become a habit as evident from previous research that showed drivers are not aware of the Green Nitrogen brand image, which has impacted negatively on consumer's purchase.

In order to popularise Green Nitrogen, the management designed its outlet logo to be both appealing and easy to recognise. The colour red has an instant appeal and the logo "Nitrogen, enhances the tyre performance" embedded in the building outlet is easily recognised by customers. In this way, customers will look for nitrogen service at the gas stations. The logo eventually became the brand for Green Nitrogen throughout PERTAMINA's gas outlets in Indonesia.

The location and accessibility of Green Nitrogen outlets at PERTAMINA Gas Stations is a key to its success. Before this, only tyre shops and big workshops were supplying nitrogen. Nitrogen was given free with tyre purchases while the workshops offered it as complementary to repair services to.

Hence, nitrogen is not easily available. Thus, drivers who want to get nitrogen can be served without having to replace their tyres or go to can access PERTAMINA Gas Stations as an alternative outlet. The outlets also offer excellent after-sales service.

Dodds and Grewal (1991), and Grewal, Monroe and Krishnan, (1998) reported that consumer purchase decision is high if the product or service has higher brand awareness. Biel (in Li, Wang, & Cai, 2011) revealed that purchasing decision was influenced by brand image, where the influencing variable consists of three components: corporate image, user image, and product image. However, Lin and Lin (2007) found that purchasing decision was influenced not only by brand image but by product knowledge as well.

The aim of this research is examine the influence of brand image on consumer purchasing decisions in the context of nitrogen filling services at PERTAMINA Gas Stations.

LITERATURE REVIEW

A company's main aim is profit by boosting its brand image. The company's success

in developing its brand image will have a positive impact on the decision to purchase a product or service. Brand image is the perception of the consumer associated with the brand (Ferrinadewi, 2008).

The components of brand image according to Biel (in Li et al., 2011) are corporate image, user image, and product image. The company's image is a picture of the company in the eyes of consumers based on their knowledge, feedback, and experience of the said company. The image is associated with a feature of a consumer brand while product image is a picture of the product in the eyes of consumers based on knowledge, as well as the consumers experience of the product or service (Rachmawati, Sary, & Perdani, 2016). In short, these three components make up an image of a brand.

This study determines the effect of the brand image on purchase decision of Nitrogen at PERTAMINA Gas Stations in Jakarta. Independent variables used in this study are corporate image, user image and product image and the dependent variable is the purchase decision.

Rising consumer consciousness has made them choose familiar and favourable brands which has led to intense competition among the brands. MacDonald and Sharp (2000) mentioned that even though consumers are familiar with and willing to purchase a product, brand awareness is still a major factor in influencing their purchase decision. When consumers want to buy

a product, a brand comes quickly to their minds. It reflects that a product has higher brand awareness. Consumers' purchase decision can be an influence if a product has higher brand awareness (Dodds & Grewal, 1991; Grewal et al., 1998).

Purchasing decision is a process of integration that combines the knowledge to evaluate the behavior of two or more alternatives and choose one of them (Peter & Olson, 2000). In general, consumer purchase decision is to buy the most preferred brand (Kotler & Armstrong, 2008).

Oentoro (2010) revealed that consumer purchase decision is a set of decisions that consider the following aspects: (1) selection of the product type; (2) choice of the form of the product; (3) choice of the brand; (4) choice where and who the seller is; (5) decision of how much to purchased; (6) decision of the time of purchase; and (7) decision on how to pay.

Brand image is perceptions and belief held by consumers, as embedded in their memory (Kotler & Keller, 2009). Brand image is the key driver of brand equity, which refers to consumer's general perception and feeling about a brand and has an influence on their behavior (Zhang, 2015).

According to Kotler and Keller (2009), and Zhang (2015) brand image is a picture or impressions generated by a brand in the minds of customers. Creating a positive brand image that remains strong in the minds of consumers is vital. When a brand

has a strong and positive image in the minds of consumers, it will always be remembered, and there is a big likelihood for the consumer to buy the brand in question.

Biel in Li et al. (2011) found brand image has three components: corporate image, user image, and product image. The image of a company is an individual evaluation of it (Surachman, 2008). Li et al. (2011) opined the user image refers to whether the brand personality is matches the consumers.

According to Baseer Ali Durrani, Godil, Baig and Sajid (2015), brand images are evaluated against numerous reference points such as product category image, social image and self-image that influence consumers' reactions to a given brand, including brand attitude, brand preference, and brand loyalty.

Baseer Ali Durrani et al. (2015) and Zhang (2015) explained brand image gives significant influence towards purchasing decision, meaning that consumers always pay attention to the brand image before they make a purchase decision.

Research Framework

Figure 1 shows the three key constructs of brand image, including corporate image, user image, and product image which is hypothesised to influence consumer purchase decision.

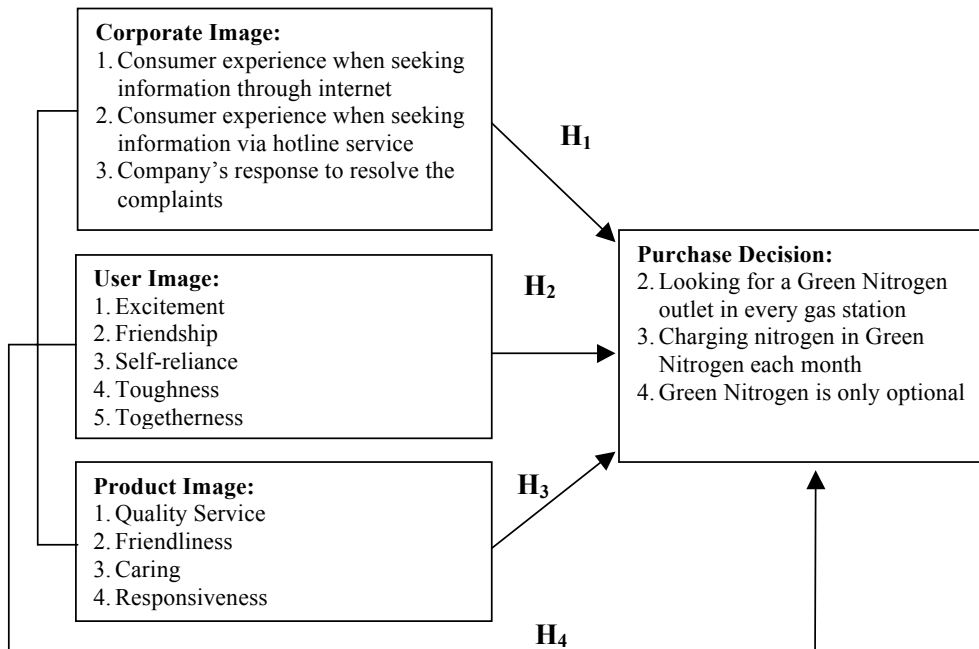


Figure 1. The research framework

Figure 1 shows three independent variables, namely Corporate Image, User Image, and Product Image affect the Purchase Decision (Baseer Ali Durrani et al., 2015; Li et al., 2011). This study will test the level of significance of these three variables on purchase decision. Biel in Li et al. (2011) revealed brand image significantly influences purchasing decisions. So, in this study its influence will be tested using multiple regression analysis. Indications of significance level are marked by influence of value of beta coefficient regression of these three variables. Explanation measurements in each variable uses indicators developed by Biel in the previous study as seen in Baseer Ali Durrani et al. (2015); Li et al. (2011).

Corporate image is a Green Nitrogen consumer's judgment based on the consumer's knowledge, feedback, and experience of the company concerned. The Green Nitrogen company is measured by indicators such as 1 consumer experience when seeking information about the company through the Internet: (2) consumer experience when seeking information via the hotline service; and (3) company's response to resolve the complaints.

User image is a set of consumer characteristics associated with the characteristics of the brand of Green Nitrogen. This variable was measured using the indicators (1) excitement; (2) friendship; (3) self-reliance; (4) toughness; and (5) togetherness.

Product image is a picture of the Green Nitrogen service in the eyes of consumers based on their knowledge, response, and experience for the product concerned. This variable is measured using the following indicators]: (1) quality service; (2) friendliness; (3) caring; and (4) responsiveness.

Purchase decision is consumers' action to choose the services they need. This variable is measured by using several indicators: 1) consumers recognition of a Green Nitrogen outlet in every gas station; (2) customers charge nitrogen at a Green Nitrogen outlet every month; (3) Green Nitrogen is only optional.

MATERIALS AND METHODS

Data was collected through a field survey from three Green Nitrogen outlets at different PERTAMINA Gas Stations. The sampling frame consisted of customers of the volunteer gas stations. Systematic quasi-random sampling selected every customer who entered the store on one day of the survey, starting from the first to come through the doors at the start of business, from 7 a.m. until 9 p.m. This sampling method was chosen because it allowed analysis of possible bias or error selection (Sher & Trull, 1996).

This is an associative research, and data was obtained from questionnaires based on previous studies and the relevant literature. The respondents are 114 Green Nitrogen customers who have been routinely charging nitrogen every month through the Green Nitrogen network. Questionnaires were filled

by the research officer to ensure no error in filling the questionnaire. Measurement scale uses the Likert scale with 1 showing Strongly Disagree to 5 showing Strongly Agree. Multiple regression analysis assessed the impact on purchase decision of three key constructs of brand image, including corporate image, user image, and product image.

RESULTS AND DISCUSSIONS

The purchase decision to use nitrogen is a direct result of brand image built by Green Nitrogen as a pioneer of nitrogen services at PERTAMINA Gas Stations. Consumers benefitted from the use of nitrogen for vehicle tyres over ordinary air, meaning that Green Nitrogen had succeeded in changing perceptions of consumers about the benefits of nitrogen over natural air.

Based on data analysis, brand image, including corporate image, user image, and product image have a significant influence on the purchase decision. However, only corporate image and product image have a significant effect. Of the three variables, the product image is the most dominant in influencing the purchase decisions.

The results of the t-test, variable corporate image (X1) and variable product image (X3) proved to have a significant influence on purchasing decisions. This is based on the significance of these two variables, namely $X1$ is $0,000 \leq 0,05$ and $X3$ is $0,000 \leq 0,000$. If the image of the user variable (X2) has a significance value of $0,199 > 0,05$, the image of the user variable (X2) proves to have no influence

on purchasing decisions. Thus, the second hypothesis of this study could not be verified. Product image variable (X3) has a dominant influence on purchasing decisions with beta coefficients 0,455.

The result of the coefficient of determination (R²) testing indicates the coefficient of determination (R-Adjusted Square) amounted to 0.561. This means

three independent variables, namely X1 (Corporate Image), X2 (User Image), and X3 (Product image), have the effect of 0.561 or 56.1% to variable Y (Purchase Decision). The rest are due to variables (such as price, location, service quality) not examined in this study. These results showed the three variables are important in purchase decisions.

Table 1
Relationship between brand image and purchase decision

No	Variables	Beta coefficients	t-value (p-value)
1.	Constant	1.063	3.839 (0.000)
2.	Corporate image	0.353	4.175 (0.000)
3.	User image	0.095	1.291(0.199)
4.	Product image	0.455	6.127 (0.000)

Notes: R Adj. Square= 0.561; F = 49.042; Sig F= 0.000

The results of regression analysis summarised in Table 1 show that corporate image, user image, and product image contribute significantly to purchase decision (F= 49.042; p = 0.000). The results of this study proved brand image influences customers' purchasing decisions which is supported by earlier studies, such as Li et al. (2011) that brand image significantly affects purchasing decisions. Richardson et al. in Gilaninia and Mousavian (2011) pointed out that brand image is often used as an extrinsic condition to make a purchase decision. If consumers do not have the experience with a product, they tend to trust famous brands (Schiffman & Kanuk, 2008). A brand that has a positive image is likely to reduce risk of purchasing.

From the foregoing, it is clear product image is the variable that can explain significantly consumer's purchase behaviour based on the product image, which includes quality service, friendliness, caring, and responsiveness that make the consumers prefer Green Nitrogen outlets. Hence, they have a positive image of Green Nitrogen in their minds.

The second variable that has a significant influence on purchasing decisions is the corporate image. Companies which have a good image will be the choice of customers. A positive image can be built through the internet, a hotline service, and field personnel who meet directly with consumers.

User image has no significant influence on consumer purchase behaviour. This

results from consumers' confidence about the quality of service provided by Green Nitrogen.

However, the three components of brand image, namely the corporate image, user image, and product image simultaneously have a significant influence on the purchase decision.

As the pioneer in providing nitrogen service, the positive image that has been built by Green Nitrogen as well as its service quality are the primary reason why consumers choose its product, nitrogen.

Therefore, the company's ability in building a positive image as a pioneer of nitrogen services and the company's ability to build a positive image as a reputable company are key attractions for the consumers. Consumers firmly believe the company has been selling quality services. Although consumers have not been accustomed to using nitrogen for their tyres, the company's ability to build trust has given it a positive image.

In the end, the power is in the hands of consumers and hence, companies must be able to read the profile of consumers in building the brand image so that the brand can be remembered and purchased by the consumers. This study has shown product image and corporate image are two important factors that must be developed by the company.

Green Nitrogen is an example of popular brand image. Although PERTAMINA is already famous, it has to continuously reinforce its brand image to ensure consumer loyalty to Green Nitrogen to maintain its

domination of the market share (for nitrogen services). The brand can be strengthened using social media, such as Facebook, WhatsApp, and Instagram, in addition to the mainstream online media such as detik.com, viva news, merdeka.com, the global franchise, and others. For Green Nitrogen, offline media remains to be explored.

This study is useful to decision makers of companies to improve brand image for retaining customers and boost brand loyalty. Strengthening the brand image is an ongoing effort by exposing it to various types of online and offline media. Companies that do not believe brand image reinforcement will be easily forgotten to have a direct impact on its sales. The high level of competition from various brands will affect consumer purchasing decisions. Consumers tend to choose famous brands that are exposed in various media. Thus, top brands are those that continuously improve their brand image.

CONCLUSION

This study has shown a change in consumer buying behaviour in switching from natural air to nitrogen. This change in behavior is due to Green Nitrogen's ability to successfully build a brand image for its nitrogen services at PERTAMINA Gas Stations. Consumer purchasing decisions are influenced by brand image of Green Nitrogen. Nitrogen-loaded tyres can also support safety. These achievements have an impact on consumer's preference, namely switching to nitrogen.

The results showed constructs of corporate image, user image, and product

image together have a significant influence on the purchase decision. However, only corporate image and product image have a significant influence individually while product image has the most dominant influence on purchase decision.

The study has limitations, namely only three gas stations were examined and hence, findings cannot be generalised. Future research can look at pricing, the choice of location and quality of service on purchase decisions.

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