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science university

TITLE:

THE IMPACT OF BRAND TRUST, BRAND QUALITY AND SOCIAL PRESENCE TOWARDS PURCHASE INTENTION OF ERIGO BRAND

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TEKNIK NEGERI JAKARTA



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intention.

In recent years, most businesses have failed due to their lack of understanding of how their products are viewed by potential customers. In this regard, Erigo has experienced many successes and failures, this is largely due to being unlucky in the market from the start and the business taking time to grow naturally. Market uncertainty has always been an interesting topic to study. Previous research has proven the influence of brand trust, brand quality, and social presence on purchase intention. However, there is still little research that studies Erigo specifically. This study aims to propose a conceptual framework of Erigo's brand trust, quality, social presence, and purchase intention. This research used Stimulus-Organism-Response (SOR) theory as the underlying theory. This research has collected a sample of 448 consumers of Erigo brand in East Jakarta by using Google Form. The data that has been collected and analyzed using SPSS.

Based on the data that has been analyzed, all these variables (brand trust, brand

quality, and social presence) show that they have an influence on purchase

ABSTRACT

Keywords: Brand trust, brand quality, social presence, purchase intention

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CHAPTER I

INTRODUCTION

1.1 Background

Technological advances rapidly at this time will have an impact on the business world whose development and business competition are increasingly competitive. Intense business competition effects company and consumers. Consumers being the main target in the business world are the main keys in winning competition between companies. Not only want quality products or services, but consumers also expect superior delivery speed and customer service to meet the needs and desires of consumers who are increasingly large. Many factors are at play when we discuss about impacts regarding demand of certain products. Furthermore, demand numbers are very unpredictable and would often require deep analysis to map out the causes and factors that may increase or decrease them.

Erigo is a local brand founded by Muhammad Sadad in 2020. Before transforming into what is known in the present day as Erigo, the company was first given the name "Selected and Co." with its main product line being Batik clothing. Upon seeing the risingtrend for casual street clothing in Indonesia, Sadad rebranded into Erigo which serves a brand new purpose, selling casual street outfits.



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In Indonesian, customers have high purchase intention for their fashion style needs. The Erigo brand is expected to create brand trust in consumers because high expectations from customers for these products lead to positive things, such as making purchases.

The statement above also applies into the customer purchase intention of Erigo, the clothing line also has many factors that impacts their demand numbers, factors such as brand trust, brand quality, and social presence all has its effects on the brand. Therefore, this study aims to analyze the factors mentioned above and its impacts towards the customer purchase intention of Erigo Brand.

1.2 Problem Statement

Brand trust is a person's level of brand trust has a very important impact on brand sales. In brand trust, there must be a brand image that is the basis for doing business a purchase of a product, because the brand of a product will be a differentiator between every other product. A well-known product brand is usually be consideration to purchase. Therefore, building brand trust is very important for the success of an Erigo Brand.

Secondly, quality of a brand is crucial, as it can affect the image of the product so that it can compete and be accepted by the community. Having better quality with cheaper price, it will be more attractive to consumers. Many people still don't believe in the quality of Erigo's clothes, because of the materials and prices that are fairly cheap and affordable. On the other



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hand, Erigo Consumers say that the quality of Erigo's clothing is able to create its own charm with a unique design and different from the clothes that are widely circulated, so people believe in the quality of Erigo clothes, so consumers will buy and use them.

Thirdly, establishing brand social presence, on social media or any type of social environment is important to. Customers underestimate the Erigo brand without seeing the marketing activities done by Erigo brand. Thus, the study will examine the influence of brand trust, brand quality, and social presence on purchase intention of Erigo brand.

1.3 Research Objectives

- To determine the influence of Brand Trust on the purchase intention of Erigo brand.
- To determine the influence of Brand Quality on the purchase intention of Erigo brand.
- To determine the intention of Erigo brand influence of Social Presence on purchase intention.

1.4 Research Questions

- 1. Does Erigo's brand trust have an impact on purchase intention?
- 2. Does Erigo's brand quality effect on purchase intention?
- 3. Does Erigo's brand social presence have an impact on purchase intention?



1.5 Key Terms

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Hak Cipta:

1. Brand Trust

The definition of brand trust is the belief that customers have in the brand's ability to deliver on what it promises. When a brand will live up to the expectations it has set in the minds of customers, trust in the brand grows. Brand trust can also be affected by how well a brand lives up to its stated values. Brand trust is usually affected by the quality of products and services provided, Its customer service, both quality and speed(Lau dan Lee, 1999)

2. Brand Quality

Brand quality is defined as the recognition of product quality, which has an influence on consumer purchasing behavior. The effect of brand quality on brand purchase intention has been validated in many existing studies suggested that higher quality perceptions lead to increased profits due to premium prices and in the long run, to effective business growth, involving both market expansion and market share gains (Bartikowski et al.,2010)

3. Social Presence

Social presence here refers to the visibility a brand has on social media platforms and the connections it builds with its community. The stronger the presence, the more trust can be built with the audience before developing a direct relationship outside of this marketing



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channel (Gefen and Straub, 2003; Qin, 2020)

4. Purchase Intention

Purchase intention is the willingness of a customer to buy a certain product or a certain service. Purchase intention is a dependent variable that depends on several external and internal factors. Purchase intentions are a measure of the respondent's attitude towards purchasing a product or availing a service (MBA Skool Team, 2021).

1.6 Significant of The Study

The significance of the study is manifold. First, the present study provides insights and valuable knowledge to academicians and practitioners such as marketers of Erigo's brand. The result of study will help the future formulation of brands strategy and positioning of Erigo's brand. Second, the present study provides contributions in theoretical assessment and utilisation of theory used in the study (Stimulus-organism- response (SOR) model). Third, the present study offers suggestions for future research to academicians and practitioners.



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CHAPTER 5

DISCUSSION

5.1 Introduction

The study that the researcher conducted is summarized in this chapter. The following is a brief explanation of the research results. The research objectives, framework, and research techniques are briefly discussed in this section. In this chapter, the main conclusions of the study are also discussed. The results of the empirical tests conducted based on the data analysis are reported in this section. After a discussion of the consequences of the current research, new research contributions are given. Limitations and potential research directions are highlighted in the concluding section.

5.2 **Summarization and Interpretation**

The impact of brand trust, brand quality, and social presence on the purchase intention of the Erigo brand is significant. Consumers' trust in the brand, perception of its quality, and the presence of the brand in social platforms play a crucial role in influencing their decision to purchase Erigo products. When consumers trust the brand, perceive it as offering high-quality products, and observe an active and engaging social presence, they



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are more likely to develop a positive attitude toward the brand, which ultimately leads to a higher purchase intention.

To maximize the impact on purchase intention, Erigo should focus on building and maintaining trust among its target audience. This can be achieved through consistent product performance, reliable customer service, transparent communication, and fulfilling customer expectations. Emphasizing and delivering high-quality products that meet or exceed customer expectations is also vital in influencing purchase intention. Erigo should invest in rigorous quality control processes, use premium materials, and consistently strive to meet high standards.

Additionally, Erigo should actively engage with its target audience through various social platforms. By establishing a strong social presence, the brand can interact directly with consumers, respond to their queries, showcase its values, and receive feedback. This engagement helps create a sense of community, generate positive word-of-mouth, increase brand visibility, and enhance purchase intention.

In summary, brand trust, brand quality, and social presence collectively contribute to shaping consumers' perceptions and purchase intentions for the Erigo brand. By focusing on building trust, delivering exceptional quality, and actively engaging with consumers on social platforms, Erigo can effectively influence and



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increase purchase intention among its target audience.

5.3 Implication of study

5.3.1 Theory Implication

The researcher takes the research seriously by creating his own framework. Therefore, there will be no similarities between other researchers.

5.3.2 Practically Implication

Based on the analysis that has been studied, it can be seen that brand trust, brand quality, and social presence have an effect on purchase intention. therefore, this research has an influence on the erigo brand to be better.

5.3.3 Empirical Implication

The findings of this study are expected to have an impact on Erigo Brand, which are seeking to contribute to shaping consumer perceptions and purchase intentions for the Erigo brand. By focusing on building trust, delivering exceptional quality, and actively engaging with consumers on social platforms, Erigo has effectively influenced and increased purchase intent among its target audience. This research is expected to have a positive impact on the Erigo Brand, increasing trust and providing increasingly better quality, as well as enabling it to more actively serve the



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community as a whole on social media. This research can be a reference for other researchers related to brand trust, brand quality, social presence.

5.4 Limitation & recommendation for future studies

Every researcher has obstacles when they want to conduct research. There are some limitations, and future researchers need to pay attention to them to further improve the research because the current research certainly has problems that need "to be corrected in future studies. This research has several weaknesses, such as:

The survey was conducted online through Google Form and has a number of limitations. Such as, most of them had busy time when the author distributed the questionnaire they responded slowly.

The number of respondents needed was quite large, but the time available was less, so the researcher found it quite difficult to reach the target respondents.

This needs to be considered by future researchers to further refine the research because the research conducted at this time certainly has problems that need to be corrected in future studies. such as, making the best use of free time and spending more time for collecting a larger sample size.



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Conclusion 5.5

The effectiveness of brand trust, brand quality, and social presence was examined in this study. This research is expected to provide a comprehensive picture of brand trust, brand quality and social presence on purchase intention for Erigo to continue to improve its services which shows that the dependent variable (purchase intention) is significantly influenced by independent factors (brand trust, brand quality, and social presence). Most of the respondents in this study were females aged 21-25 years. The findings show that the three variables of brand trust, brand quality, and social presence have a significant impact on purchase intention to continue to improve trust, quality, and service of the Erigo Brand. The results are less than 0.05, with brand trust at 0.000, brand quality at 0.000, and social presence at JAKARTA 0.000.



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