Explaining Brand Preference in Online Community: A Study of Kaskus, The Largest Indonesian Community

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Abstract

Information technology usage has been a major focus of information systems research for more than two decades. This is because information technology usage has been demonstrated to be a key driver of organizational performance. Information technology development is a great opportunity for companies to creatively innovate their product in order to develop their business. The development of internet makes many other new things develop too, for example online shopping. The rapid and global change of communication technology gave a bigger chance and efficiency to the marketers. As the rapid development of internet since its appearance, another sites has been showed up, and not only online shopping sites, online blogs, but also community sites that not only use as the site to make a friend, but also offer sell and buy forum that provide needs.

Therefore, this study aims to analyze the effects of brand offering to brand familiarity and brand evaluation and the effect of brand familiarity and brand evaluation to brand preference. The results of this study can be used by Kaskus to develop the best strategy in order to increase the number of users of Kaskus. This study uses quantitative approach with Multiple Regression technique and SPSS 16.0 program. Questionnaires were distributed to 100 respondents who used as a sample in this study using non probability sampling and snowball sampling's method.

The result of this study shows that brand offering has positive and significant effects on brand familiarity and brand evaluation. In addition, this study also found that brand familiarity and brand evaluation has positive and significant effect on brand preference in Surabaya.

Keywords: Brand evaluation, brand familiarity, brand offering, brand preference, online community

1. Introduction

One thing that could determine the successful of business is the ability to understand competitors. The output of this capability, supports management in deciding where to compete and how the position between competitors. The analysis is done by identification of the industry and its characteristics, identification of business in the industry, then each business were evaluated, prediction of competitors activities including the new competitor who might break through the market or market segment. Competition takes place in the presence of various types. inter-brand competition, competition between types of products, generic competition between needs created by the scarcity of resources in which geographic variation occurs.

The rapid development of the industry of e-commerce or electronic commerce, especially in Indonesia has spurred competition among businesses virtual world. The internet has created a new business capability, redefined business process, eliminated the old paradigm of information technology, and created the new environment in global online economy. According to Rheingold (1993) and Schuler (1996), the activist of online community state that online community helps to replace lost relationships because people are getting busier and isolated from their neighbors. Some researchers have even suggested that online community allowing people to be able to make contact from different parts of the world where they have common interests (Wellman & Guilia, 1999). Because people are becoming more connected with the others through the online community, they will benefit from an equivalent social relationship. Some communities provide a sub forum to do the transaction, such as barter goods collection that originated from the same hobby, until the sale and purchase transactions between members of the forum. Some items often being sold and bought include computer equipment, CDs, books, t-shirts and dresses, and even internet services, such as downloading services data (file download), site development, online payment services, and so on. Kaskus as the forum of community online of trading sub forum as one tool that offers electronics, computer peripherals, digital books, t-shirts and shirts, and others introducing a new business model which is based on technology through community online. Both buyers and sellers can interact directly so there can be an agreement the transaction.

2. Literature Review

2.1 Brand Preference

Chomvilailuk and Buthcer (2010) defined brand preference as relative preference for choosing and using the brand. Hellier et al. (2003) defined brand preference as how far the customers liked the services being offered by the company they used, compared to the services offered by other companies in customers' preference list.

2.2 Brand Familiarity

Keller (1993) defined brand familiarity as some experiences related to the product that had been accumulated by the customer (through the use of products, advertisements, etc.). In the connection with cyber brands and extension brands, Sääksjärvi dan Samiee (2007) had a research results that familiarity's influence to cyber brands was different compared to the influence to the brand brought to the Internet (extension brand). Aaker and Keller (1990) said that brand familiarity for cyber brand, which was relatively new, was critical to preference of cyber brands.

H1: Brand familiarity has a positive effect on brand preference of cyber brand

2.3 Brand Evaluation

Duhan et al. (2006) stated that brand evaluation was defined as the perception of customers towards quality of a brand. Laroche et al. (1996) found that self-confidence in the Brand Evaluation was one of the deciding factors for customers' will to buy from a brand. Similar statement from Sääksjärvi and Samiee (2007) and Hoek et al. (2000) said that a positive evaluation of a brand tents to cause preference of the brand.

H2: Brand evaluation has a positive effect on brand preference of cyber brand

2.4 Brand Offering

Sääksjärvi & Samiee (2007) in their research put a term of brand offering as the selection it has to offer. Similar, Shim et al. (2001) described Brand Offering as a choice of things that was being offered by a web brand. Sääksjärvi, Samiee (2007) said that brand offering also are likely to affect a consumer's familiarity with a brand, consumers take note of the larger selections offered by certain retail brands, and it is reasonable to expect them to become more familiar with retail brands that carry a large variety of merchandise. Wolfinbarger and Gilly (2001) concluded that customer saw the Internet as a place where customers hope to earn and find the product choices and a place where customers really found their chosen one. The research of Szymanski & Hise (2000) which found that the availability of many kinds of product perfected with customer service information that could be chosen by customers, might decrease the risk perception and improve the will to do the purchase. Wolfinbarger & Gilly (2001) showed that customers hoped there would be brand that offered a comprehensive or complete kind of products, which would boost customers' will to do the purchase in days after.

H3: Brand offering has a positive effect on brand familiarity of cyber brand

H4: Brand offering has a positive effect on brand evaluation of cyber brand

3. Research Method

The research method used in this research is the quantitative method. The target of population were consumers who use kaskus.com online and buy goods by online in Surabaya, Indonesia with the demographic characteristics of male and female, from the ages of 18-60 years old, live in Surabaya and have a minimum high school education level or other that are of the same level.. The reason for this is so that the respondent will be able to understand the content and material of the questionnaire. The sampling method used in this research is non-probability sampling and the snowball sampling technique.

The data being used in this research is primary data that is gathered from the questionnaire being used. The Questionnaires conducted in Surabaya, Indonesia by distributing 100 questionnaires to the respondents that have the characteristics as mentioned above. The indicators to measure were built from previous researches. For brand preference, brand familiarity, brand evaluation, brand offering from researches by Sääksjärvi and Samiee (2007), Chen and Chang (2008) There were 14 indicators for 4 variables tested. The theoretical framework used in this
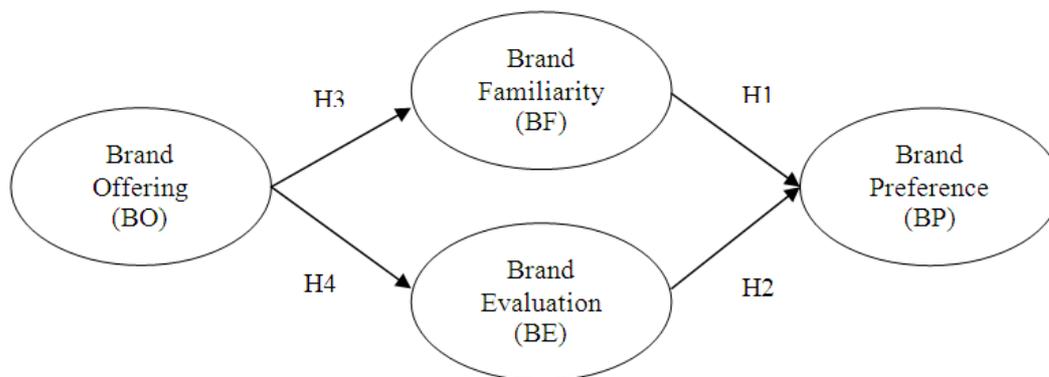
research is as follows.

Figure 1. Research Framework

The scale used in this research for the measurement of the framework in the interval scale. And the scale used to measure the variable is the Likert Scale, with statements that have a scale level from 1=Strongly Disagree until 5=Strongly Agree. This scale is used by respondents as a score level of the answer to the questions given related tro the object being researched. The bigger the score or number chosen shows higher score and vise versa.

4. Results

This study used Multiple Regression in testing between the variables. Statistical analysis tool used to answer the problem formulation of this research is SPSS 16.0. Once the questionnaires were returned, the next step that must be conducted is descriptive statistic analysis.

4.1 Statistic Descriptive

Based on the results from data processing in table I shows that the average score of the mean for overall indicator is 4.98. This shows that all indicators of variables that tested can be perceived by all respondents. In addition, the standard deviation is 1.0565 shows that the answers given by respondents are homogeneous or relatively the same. It is known that the highest mean average is brand familiarity that is 5.36. This may indicate that the indicators of brand familiarity are best perceived by the respondents than other variables. Brand preference has the highest score for standard deviation, that is 1.195. This may indicate that the respondents give answers for brand preference least homogeneous compared with other variables.

TABLE I: Statistical Result of Description

Variable	Mean	Standard Deviation
Brand Offering	4.99	0.994
Brand Familiarity	5.36	1.046
Brand Evaluation	4.88	0.991
Brand Preference	4.69	1.195

4.2 Validity and Reliability Test

TABLE II: Calculation Result of Validity and Reliability Test

Indicator	Factor Loading	Cronbach's Alpha Based on Standarized Items
Brand Offering:		0.766
BO1	0.464	
BO2	0.548	
BO3	0.538	
Brand Familiarity:		0.781
BF1	0.606	
BF2	0.685	
BF3	0.566	
Brand Evaluation:		0.831
BE1	0.634	
BE2	0.656	
BE3	0.653	
BE4	0.690	
BE5	0.520	
Brand Preference:		0.699
BP1	0.570	
BP2	0.696	
BP3	0.539	

The criteria is if the value of the factor loading is higher than 0.160, then the statement is considered valid, however, if the value of the factor loading is less than the 0.160, then the statement is considered invalid or failed. Based on the test of the data validity, it is prove that all indicators used to estimate each variable are valid, since the value of the factor loading for every questions are more than 0.160.

From the table II, it is prove that the variables of brand offering, brand familiarity, brand evaluation, and brand preference all resulting the value of cronbach alpha higher than 0.60. So, it can be conclude that the statements develop the variables can be said to be consistent/reliable and can be used for further analysis.

4.3 Results of Coefficient Determination

TABLE III: Coefficient Determination of BE and BF to BP

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.630[a]	.397	.384	2.813

a. Predictors: (Constant), BE, BF

b. Dependent Variable: BP

TABLE IV: Coefficient Determination of BO to BF

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.463[a]	.215	.207	2.794

a. Predictors: (Constant), BO

b. Dependent Variable: BF

TABLE V: Coefficient Determination of BO to BE

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.659[a]	.434	.428	3.748

a. Predictors: (Constant), BO

b. Dependent Variable: BE

From table III, determinant coefficient/R-square (R^2) generated is as much as 0.384 which means that the variations of variables of brand familiarity and brand evaluation together can explain the variation of variable of brand preference by 38,4%, while the rest 61,6% explained for other variables beyond the model which is not yet observed. Meanwhile, from table IV determinant coefficient/R-square (R^2) generated is as much as 0.215 which means that the variable of brand offering can explain the variable of brand familiarity by 21,5%, while the rest 78,5% explained for other variables beyond the model which is not yet observed. And from table V determinant coefficient/R-square (R^2) generated is as much as 0.434 which means that the variable of brand offering can explain the variable of brand familiarity by 43,4%, while the rest 56,6% explained for other variables beyond the model which is not yet observed.

4.4 Results of Multiple Regression and t-test for Multiple Regression

TABLE VI: Results of BF and BE to BP

Variable	Coefisien Regression	t	Sig.
Brand Familiarity	0.333	3.857	.000
Brand Evaluation	0.416	4.820	.000

From table III, the regression equation can be written as follows:

$BP = b_1 BF + b_2 BE$

$BP = 0.333\ BF + 0.416\ BE$

Based on table VI, all the independent variables have positively influence towards dependent variable through intervening variable. Brand evaluation has the greatest regression coefficient compare to other variable, that is 0.416. Therefore, brand evaluation is the most influential variable to brand preference. In the other side, brand familiarity has the smallest influence on brand preference; it is because brand familiarity has the lowest regression coefficient compared to other variable, which is equal to 0.333.

The t test used to determine whether the independent variables of brand familiarity and brand evaluation partially (independently) have significance influence on brand preference. If the value of t test is below 0.05, than it can

be stated that the variable is significantly influenced by partially.

4.5 Results of Single Regression and t-test for Single Regression

TABLE VII: Coefficients Regression BO to BF

Variable	Coefisien Regression	t	Sig.
Brand Offering	0.463	5.177	.000

From table IV, the regression equation can be written as follows:

$BF = b_3 BO$

$BF = 0.463\ BO$

Based on table VII, the independent variables have positively influence towards dependent variable.

The t test used to determine whether the independent variables of brand offering partially (independently) has significance influence on brand familiarity. If the value of t test is below 0.05, than it can be stated that the variable is significantly influenced by partially.

TABLE VIII: Coefficients Regression BO to BE

Variable	Coefisien Regression	t	Sig.
Brand Offering	0.659	8.668	.000

From table VIII, the regression equation can be written as follows:

$BE = b_4 BO$

$BE = 0.659\ BO$

Based on table VIII, the independent variables have positively influence towards dependent variable.

The t test used to determine whether the independent variables of brand offering partially (independently) has significance influence on brand evaluation. If the value of t test is below 0.05, than it can be stated that the variable is significantly influenced by partially.

4.6 F-test for BE and BF to BP

TABLE IX: Result of F-test

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	504.805	2	252.402	31.904	.000[a]
	Residual	767.385	97	7.911		
	Total	1272.190	99			

a. Predictors: (Constant), BE, BF

b. Dependent Variable: BP

Based on the calculation of SPSS, the significance of F test value in the model 1 is 0.000, this mean H0 is rejected, so it can be concluded personal brand familiarity and brand evaluation together influencing brand preference significantly. This mean, the hypothesis which declared that brand familiarity and brand evaluation

are jointly influence brand preference is accepted.

5. Conclusion, Limitation, and Research Extension

The results of the studies show that brand offering has positive effects on brand familiarity and brand evaluation of Kaskus.co.id. Furthermore, brand familiarity and brand evaluation also has positive effects on brand preference of Kaskus.co.id. So, it can be concluded that from four proposed hypotheses, all hypotheses are supported.

The first hypothesis stating that brand familiarity has a positive effect on brand preference of cyber brand is supported, because the t-test value is 0.000, below 0.05. This shows the consistency results of this study with the research of Sääksjärvi and Samiee (2007), Aaker and Keller (1990). According to Aaker and Keller (1990) said that brand familiarity for cyber brand, which was relatively new, was critical to preference of cyber brands. The hypothesis stating that brand familiarity has a positive effect on brand preference of extension brand is supported because the t-test value is 0.000, below 0.05.

The second hypothesis stating that brand evaluation has a positive effect on brand preference of cyber brand is supported. The first hypothesis stating that brand familiarity has a positive effect on brand preference of cyber brand is supported, because the t-test value is 0.000, below 0.05. This shows the consistency results of this study with the research of Laroche et al. (1996), Sääksjärvi and Samiee (2007) and Hoek et al. (2000), which explained that brand evaluation had a positive effect on brand preference of cyber brand.

The third hypothesis stating that brand offering has a positive effect on brand familiarity of cyber brand and extension brand is supported because the t-test value is 0.000, below 0.05. This shows a consistency of the results with previous research by Seock and Norton (2007), Wolfinbarger & Gilly (2001), which explained that brand offering had a positive effect on brand familiarity of cyber brand. In addition, it also shows consistency with the previous study by Sääksjärvi and Samiee (2007), which explained that brand offering had a positive effect on brand familiarity of extension brand.

The fourth hypothesis stating that brand offering has a positive effect on brand evaluation of cyber brand and extension brand is supported because the t-test value is 0.000, below 0.05. This shows a consistency of the results with previous research by Wolfinbarger & Gilly (2001), which explained that brand offering had a positive effect on brand evaluation of cyber brand and Sääksjärvi and Samiee (2007) who explained brand offering had a positive effect on brand evaluation of extension brand.

5.1 Conclusion

From the research and discussion that have been done, this study successfully extends brand preference to the context of cyber brand by adding three variables (brand offering, brand familiarity and brand evaluation). As the result of this study, brand familiarity has significant effect on brand preference of Kaskus.co.id (cyber brand) in Surabaya. In addition, the result of this study also shows that brand evaluation has positive and insignificant effects towards brand preference of Kaskus.co.id (cyber brand) in Surabaya. Furthermore, brand offering has positive and significant effects toward brand familiarity of Kaskus.co.id (cyber brand) in Surabaya. Brand offering also has positive and significant effects toward brand evaluation of Kaskus.co.id (cyber brand) in Surabaya.

Brand familiarity has a significant and positive effect to the brand preference of Kaskus.co.id (cyber brand) because even though Kaskus.co.id does not have physical stores in Surabaya, the consumer still can see the product that offered in Kaskus.co.id so that customers in Surabaya often see Kaskus brand in the online medias, so the customers become so familiar with Kaskus brand. Customers in Surabaya also often hear and talk about Kaskus, so they become so familiar with the Kaskus brand. Those causes brand familiarity affects brand preference of Kaskus.co.id.

The results of the study are also show that brand evaluation has a positive and significant effect to the brand preference of Kaskus.co.id (cyber brand) in Surabaya because Kaskus.co.id is an online forum community that has a very well known brand in all over the world and also trusted, in terms of product quality, diversity offered, product choices and also the delivery so that the customers in Surabaya also have a positive brand evaluation of Kaskus.co.id in Surabaya.

Brand offering has a positive and significant effect to brand familiarity of Kaskus.co.id (cyber brand) because it offers product in diverse and complete so that customers in Surabaya have a good brand familiarity of

Kaskus.co.id. The type of customers in Surabaya, which are busy and do not have much time to shop directly in store so that they like to buy products such as books, clothing, bags, fashion, electronics, and others by online more, are very familiar with the brand Kaskus.co.id that is famous of offering diverse and complete products and also accessible. Brand offering also has a positive and significant effect to brand evaluation of Kaskus.co.id (cyber brand). This effect resulted because Kaskus.co.id (cyber brand) offers complete and many different categories of product to the customers so that customers in Surabaya have a positive brand evaluation towards this brand. Customers in Surabaya that like to buy products by online are easily choose and find the products they want to buy by accessing Kaskus.co.id which has a lot of different categories of product with good quality too.

Brand offering is the variable that has the biggest effect to brand familiarity and brand evaluation that affects brand preference. Because of that, Kaskus.co.id needs to improve its brand offering so it can improve its brand preference. Kaskus.co.id can improve its brand offering by improving their products and brands diversity they offer, in terms of number of the products, products language, the kind an also the genre. Kaskus.co.id should also improve the quality and completeness of its products collection, starting from the very new coming to the old rare products. Moreover, Kaskus.co.id need to offer more values to the customers by giving many easiness, increase the faithfulness for the consumers, in terms of accessing the website, earning information about products, finding the desired products and the easiness in terms of way of payment and on-time delivery service.

5.2 Limitation and Research Extension

There are several limitations within this research, first this research did not examine the moderating variables, and only use limited sample in Surabaya. It also can be concluded that researchers and strategists need to consider other issues relating to brand offering, brand familiarity and brand evaluation to maintain as well as improve brand preference. In further research, it is expected to increase the sample used in order for the data to be more generalized. Secondly, the moderating variables can also be used to strengthen the research. Third, it is to consider other issues such as socio – demographics factors in the relationship with brand preference.

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