

**The Impact of Brand Image, Product Attributes, and Attitude toward  
Bundling on Consumer Satisfaction and Repurchase Intention**

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## **Abstract**

The business competition of packaged tea products is increasing, as indicated by the growing number of new brands of packaged tea. Companies should create a new marketing strategy to maintain and gain market share higher. The purpose of this research is to examine the influences of the brand image, attitude toward bundling, and product attributes on repurchase intention of Teh Botol Sosro product. The population in this research is Teh Botol Sosro's consumers in Semarang city, Indonesia. Two hundred respondents are selected as sample using purposive sampling. Data obtained from the questionnaires were then analyzed using Structural Equation Modeling (SEM) technique. The results show that brand image, attitude toward bundling, and product attributes positively influence consumer satisfaction, and in turn, consumer satisfaction positively influences repurchase intention. In addition, compared to the other variables, product attributes has the most influence on repurchase intention.

*Keywords: brand image, product attributes, consumer satisfaction, attitude toward bundling, repurchase intention.*

## 1. INTRODUCTION

Ready-to-drink (RTD) tea is a favorite soft drink within Indonesian consumers as it delivers simplicity and freshness. As such, the market significantly grows. In 2017, Indonesian soft drink association (ASRIM) estimated the market of RTD tea grows 7% yearly. The growth follows the increasing number of population and the low level of soft drink consumption within Indonesian people.

PT Sinar Sosro is the pioneer of RTD tea producer, labeled Teh Botol Sosro, However, it does not guarantee the success of Teh Botol Sosro in responding the demand of RTD tea market. The Top Brand Index Survey in Table 1 indicates the symptom:

**Table 1**  
Top Brand Index of RTD Tea in Indonesia

| Brand           | Brand Value (%) |      |      |      |      |
|-----------------|-----------------|------|------|------|------|
|                 | 2014            | 2015 | 2016 | 2017 | 2018 |
| Teh Botol Sosro | 51              | 47.8 | 33.8 | 32   | 26.8 |
| Teh Pucuk Harum | 5.1             | 4.1  | 24.8 | 22.7 | 32.3 |
| Frestea         | 14.9            | 15.2 | 72   | 6.3  | 9.2  |
| Teh Gelas       | 2.9             | 3.6  | 13.1 | 12.6 | 9.6  |
| Ultra Teh Kotak | 8.1             | 9.1  | 8.1  | 6.8  | 4.1  |

Source: [www.topbrand-award](http://www.topbrand-award) (2018)

Table 1 shows the brand value of Teh Botol Sosro is decreasing each year. The substantial reduction was in 2016, about 14%. In addition, Teh Pucuk Harum has successfully replaced Teh Botol Sosro along 2018. This indicates the existence of Teh Botol Sosro as a RTD tea pioneer has been disrupted by the competitors, even when the RTD tea market gains improvement.

The Teh Botol Sosro's reduction is stemming from various factors. Based on several short interviews with Teh Botol Sosro consumers, one of the drivers is the decreasing consumer satisfaction, which in turn influences intention to repurchase. A satisfied consumer usually

will rebuy the product without thinking to choose other products (Kotler & Keller, 2012; Jones & Sasser, 1995). Hence, a firm should recognize the consumer needs and behavior and as such could create a proper marketing strategy to fulfill consumer satisfaction.

Following the finding, this study compiles previous research and summarizes factors that may interplay with satisfaction. As such, this study analyzes the impacts of brand image, product attribute, attitude toward bundling, and consumer satisfaction on repurchase intention of Teh Botol Sosro.

## **2. LITERATURE REVIEW**

### **A. The Influence of Brand Image on Consumer Satisfaction**

Brand image refers to a perception in consumer's mind about a product or service. A sound brand image could drive a consumer's trust on the product quality and helps the consumer to choose as well as having a comfortable feeling when he or she buys the product. Brand image becomes a reference to consumer in trying or using a product or service. This in turn emerges special experience and could determine whether the consumer feels satisfied, loyal to the brand, and having intention to utilize such product in the future. Therefore, a better consumer perception toward a brand or product would increase the consumer satisfaction. Such rationale is in line with the study of Hosseini and Behaboudi (2017) who find brand image positively influences consumer satisfaction. This leads to proposed hypothesis as:

*H1: Brand image positively influences consumer satisfaction.*

### **B. The Influence of Product Attribute on Consumer Satisfaction**

Product attribute is a dimension attached to a product and is perceived as a vital element since it becomes a basis for a consumer to take a decision. A firm through its product aims to fulfill consumer's needs and preferences toward the highest level and if the needs are satisfied, it

would influence the consumer satisfaction. A higher product attribute's quality could increase consumer satisfaction on the product. This is consistent with the findings of Espejel, Fandos, and Flavian (2008) in the food industry that product attribute positively impacts consumer satisfaction. Therefore, the second hypothesis is:

*H2: Product attribute positively influences consumer satisfaction.*

### **C. The Influence of Attitude toward Bundling on Consumer Satisfaction**

Bundling is usually offered in a discount and studies focus on how the discount affects satisfaction. The actual saving from buying products in bundle has been found to have positive effect on total satisfaction. On the other hand, a bundle without discount has negative impact on customer satisfaction (Nguyen , Heller, & Buff, 2009). Johnson, Hermann, & Hans (1999) also reveal that attitude toward bundling positively influences consumer satisfaction. As such, the proposed hypothesis is:

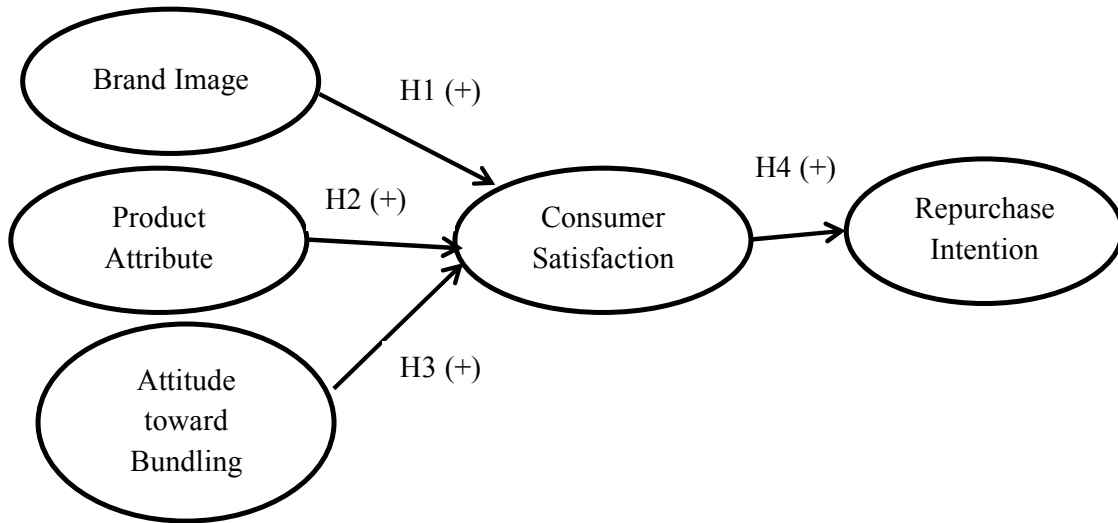
*H3: Attitude toward bundling positively influences consumer satisfaction.*

### **D. The Influence of Consumer Satisfaction on Repurchase Intention**

Consumer satisfaction stems from consumer expectation toward a product or service. When the product or service fulfills consumer expectation, the consumer would be satisfied and to repurchase. Chang, Chou, and Chien (2014) and Goh, Jiang, Hak, and Tee (2016) amplify the argument by their findings within food industry that consumer satisfaction positively impacts repurchase intention. Thus, the proposed hypothesis is:

*H4: Consumer satisfaction positively influences repurchase intention.*

The hypothesized pathways are then displayed in Figure 1.



**Fig.1.** The hypothesized pathways of brand image, product attribute, attitude toward bundling, consumer satisfaction, and repurchase intention.

### 3. METHODS

#### A. Measures

This study deploys five constructs: brand image, product attribute, attitude toward bundling, consumer satisfaction, and repurchase intention. Brand image refers to perception toward a brand and this is represented by brand association in a consumer’s mind (Keller, 1993). This variable is measured by four items from Low and Lamb (2000): easily recognized, beneficial, popular, and modern.

Product attribute refers to elements attached to a product as a consumer’s consideration in taking decision about purchasing a brand or product categories. It consists of five items: good quality, fit to any foods, taste, price, and information label (Dodd and Gustafson, 1997).

Attitude toward bundling refers to consumer reaction on bundling offers, in positive and negative directions, simultaneously (de Pechpeyrou, 2013). This measure consists of four

items concerning bright idea, happiness feeling, a wise choice, and intention to gain profit (Wan, Zhao, Lu, & Gupta, 2017).

Consumer satisfaction is a satisfied or an upset feeling which emerges when one has compared product performance over expectation toward the product (Kotler & Keller, 2012). It consists of four items: emotional feeling toward a product, total satisfaction, happiness feeling, and a belief on decision to use a product (Akgün, Keskin, & Alan, 2017).

Repurchase intention refers to a customer habit in positively responding firm's offering and intending to revisit or repurchase the firm's product (Cronin & Taylor, 1992). It comprises four items: purchasing frequency, a possibility in repeating consumption, plan to purchase, and intention to buy (Wan et al., 2017; Broyles, Thomas, Formanand, & Leingpibul, 2009).

All measures are anchored in 5-points Likert scale (totally agree-totally disagree).

## **B. Sampling and Data Collection**

The unit of analysis for this research is individual and the preferred target respondents are consumers of Teh Botol Sosro who consume the product at least once in the last 1 month. A non-random purposive sampling is employed and based on Hair et al. (2010)' suggestion on sample for Maximum Likelihood (ML) estimation (100-200 samples), the research targets 200 respondents as sample.

## **C. Data Analysis**

This study performs two-steps Structural Equation Modeling (SEM) by conducting Confirmatory Factor Analysis (CFA) prior to do SEM (Hair et al., 2010). The CFA confirms factor loadings within the multivariate strand to be suitable for SEM analysis.

## 4. RESULTS

Demographics show 84 respondents are male and 116 are female. Their age mostly 21-25 years old (125 people), while 71 people aged 16-20 years old, and only 4 people aged 26-30 years old. The respondents mostly spend between 1-2 million rupiahs per month (110 people). The majority of respondents consume Teh Botol Sosro 1-2 times per month (164 people). About 28 people consume 3-5 times, and the rest (8 people) consume more than 5 times per month.

Table 2 summarizes the CFA results. All item loads are sound ( $> 0.6$ ) and suitable for SEM analysis. The variables also show accepted construct reliability and variance extracted.

**Table 2**  
Scale items.

| Measures                                       | Loadings |
|--|----------|
| A. Brand Image (CR: 0.77, AVE: 0.52)           |          |
| 1. BI1   | 0.71     |
| 2. BI2   | 0.73     |
| 3. BI3   | 0.75     |
| 4. BI4   | 0.70     |
| B. Bundling Perception (CR: 0.85, AVE: 0.59)   |          |
| 5. BUND1                                       | 0.80     |
| 6. BUND2                                       | 0.78     |
| 7. BUND3                                       | 0.79     |
| 8. BUND4                                       | 0.70     |
| C. Product Attribute (CR: 0.84, AVE: 0.52)     |          |
| 9. ATR1  | 0.79     |
| 10. ATR2                                       | 0.74     |
| 11. ATR3                                       | 0.78     |
| 12. ATR4                                       | 0.62     |
| 13. ATR5                                       | 0.64     |
| D. Consumer Satisfaction (CR: 0.83, AVE: 0.55) |          |
| 14. CS1  | 0.66     |
| 15. CS2  | 0.76     |
| 16. CS3  | 0.75     |
| 17. CS4  | 0.80     |
| E. Repurchase Intention (CR: 0.91, AVE: 0.71)  |          |
| 18. RI1  | 0.77     |
| 19. RI2  | 0.83     |
| 20. RI3  | 0.87     |
| 21. RI4  | 0.90     |



Table 3 shows the results of SEM analysis. The normed chi-square (CMIN/DF = 1.10), CFI (0.99), TLI (0.99), RMSEA (0.02), GFI (0.91), and AGFI (0.89) indicate an excellent model (Hair et al. 2010).

SEM analysis shows all paths are significant and thus all hypotheses are supported. All displays sound discriminant validity and construct reliability. Brand image positively influences consumer satisfaction (**H1**). Product attribute positively influences consumer satisfaction (**H2**). Attitude toward bundling positively influences consumer satisfaction (**H3**), and consumer satisfaction positively influences repurchase intention (**H4**).

**Table 3**  
Results of testing the research hypotheses.

| Structural paths                                     | Standardized path coefficients | Hypothesis testing |
|--|--------------------------------|--------------------|
| H1: Brand image → Consumer satisfaction              | 0.19*                          | Supported          |
| H2: Product attribute → Consumer satisfaction        | 0.55*                          | Supported          |
| H3: Attitude toward bundling → Consumer satisfaction | 0.26*                          | Supported          |
| H4: Consumer satisfaction → Repurchase intention     | 1.04*                          | Supported          |

\*  $p < 0.01$

## 5. DISCUSSION

The result on hypothesis 1 implies that a better brand image of a product, represented by its popularity and benefits, would increase consumer satisfaction. The hypothesis 2's result indicates the improvement on product attributes such as in price, taste, and package would improve consumer satisfaction. On hypothesis 3, it indicates a higher consumer attitude toward bundling (such as an intention to gain profit) would increase consumer satisfaction toward Teh Botol Sosro's brand. Finally, the result of hypothesis 4 implies the improvement of consumer satisfaction toward Teh Botol Sosro would increase the consumer's repurchase intention.

Based on the results, PT Sinar Sosro as a producer of Teh Botol Sosro should allocate its resources to improve the product attributes of Teh Botol Sosro, such as tea quality, taste, price, and product packaging. Here, Teh Botol Sosro could increase the tea leaf quality, adding taste variants for young generation, and creating simpler and attractive packaging.

## **6. LIMITATIONS AND FUTURE RESEARCH**

As with any research, this study has some potential limitations, which also reflect possible directions for future research. First, this study only focuses on Teh Botol Sosro's segment of 450 ml plastic package. Therefore, future research may extend into wider segments to address this concern.

Second, the generalizability of the results is limited since the study utilized survey data from consumers within 1 city, Semarang area. Future research could extend its research scope to different research areas.

Finally, future studies may consider another variable to be investigated, such as consumer loyalty (Espejel et al., 2008). This may capture dynamics within consumer satisfaction areas.

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