THE WAR OF GLOBAL BRANDS: THE INNOVATOR VS THE CHALLENGER

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ABSTRACT
The purpose of this study is to explain the influence of brands and countries of origin of consumer attitudes in choosing cell phone products (iPhone and Xiaomi as a representative of two different countries). Hence, this research tries to propose and compares two different model of brand in the correlation with the brand equity model. The data was collected from Millennial generation respondent, SES A and B who are have spending power, intention to buy and no consideration related to the price but value of the product itself. The analysis technique used Partial Least Square (PLS). The results showed that the importance of the brand, brand performance, brand image has a positive effect on attitude. The importance of the brand, brand performance and brand image simultaneously have a positive effect on attitude. Country of origin has a positive effect on purchase intentions. Price and attitude have a positive effect on purchase intention. Country of origin, price and attitude simultaneously have a positive effect on purchase intentions.

Keywords: brand salience, brand performance, brand imagery, attitude, price, country of origin, purchase intention

BACKGROUND
In the era of globalization as it is now, progress in the industrial field is accelerating, then it becomes competition between industrialized countries. Industrial war between developed countries that have experience in this field is not impossible. The United States, for instance, is already known as an industrial country that manufactures its products with high quality. It is also equipped with attractive features in accordance with technological developments. On the other hand, China, which is already known as an industrial country, is used to producing products in mass form. Another interesting thing from China is how this country dares to sell its products at very cheap prices. Another advantage is that the product is also equipped with features that are no less interesting. Pham (2019), argue that the fight between the United States and China is about much more than tariffs. The two economic superpowers are currently locked in a battle over who will dominate the technologies of the future.

One example of the goods industry is smartphone. Smartphone is a wireless electronic device that works the same way as a conventional telephone. How a smartphone works briefly is to change a voice message from a sender to radio waves that are connected through a network of BTS (Base Transceiver Station). Smartphone is a product that must be owned by the community because it can facilitate the activities carried out by the community with its features.

The most famous product today is the iPhone. iPhone is a product of the Apple brand originating from California, United States. iPhone is the most sought-after smartphone at the moment. The iPhone is targeting the upper class of society. This is seen from how the features offered are very exclusive with high prices. As a challenger, Xiaomi is from Beijing, China. Xiaomi
is a smartphone brand that is starting to emerge in the ranks of world-famous smartphone products. Low prices and luxurious specifications are two things that make Xiaomi's cellphones targeted by consumers.

Based on StatCounter Global Stats, it shows that Xiaomi is sticking to Apple in the list of the best cellphone brands in the world in 2019. Data shows Apple's market share is 22.85% and Xiaomi is 7.88%. This is a very surprising thing where Xiaomi, which was only founded in 2010, has been able to develop its products into the best smartphone occupants in the world. Moreover, it is explained that for specifications; Xiaomi Redmi Note 8 which is cheaper in fact can rival the iPhone X in certain parts. In the battery capacity section, the Xiaomi Redmi Note 8 is bigger than the iPhone X, with a ratio of 4000 mAh to 2716 mAh. Battery types are Li-ion for iPhone X and Li-polymer for Xiaomi Redmi Note 8.

In the camera, the image resolution for iPhone X is 4000 x 3000 pixels and 7 MP front camera. For Xiaomi Redmi Note 8, the image resolution is 8000 x 6000 pixels and 13 MP front camera. Furthermore, on the display, Xiaomi Redmi Note 8 is bigger, namely by comparison of 6.39 "with 5.8". Xiaomi Redmi Note 8 use IPS LCD with 19:5:9 aspect ratio, and 1080 x 2280 pixels screen resolution. The other hand, iPhone X use OLED with 18:9 aspect ratio, and 1125 x 2436 pixels screen resolution.

And in the performance iPhone X use Apple A11 Bionic chipset, Apple GPU (three-core graphics), and Hexa Core (2.39 GHz, Dual core, Monsoon + 1.42 GHz, Quad core, Mistral) for processor. Xiaomi Redmi Note 8 use Qualcomm Snapdragon 665 for chipset and processor. Adreno 661 for graphics Xiaomi Redmi Note 8. In performance, all the components in these two different products are almost the same. Ram section, the Xiaomi Redmi Note 8 is also bigger, with a ratio of 4 GB to 3 GB. From those specification, it can be concluded that iPhone and Xiaomi are very competitive. Xiaomi is superior to the iPhone from its specifications and the iPhone although some of the specifications are outdone by Xiaomi, the iPhone is still the most sought-after smartphone in this era.

Hence, previous research has been conducted variety of the customer attitude related to the brand equity model. Based on the premier model that constructed by Sangadji & Sopiah (2013), this research tries to develop and propose a new idea of the framework of Resonance Pyramid Model by Keller (2013). The purpose is to find out if there are any different result if the consumer attitude, especially for two different brands from two different countries has differences response by the consumer. Finally, the problem can be formulated as follows:

1. Is Brand Salience positively influence toward Attitude?
2. Is Brand Performance positively influence toward Attitude?
3. Is Brand Imagery positively influence toward Attitude?
4. Are Brand Salience, Brand Performance, and Brand Imagery positively influence simultaneously toward Attitude?
5. Is Attitude positively influence toward Purchase Intention?
6. Is Country of Origin (COO) positively influence toward Purchase Intention?
7. Is Price positively influence toward Purchase Intention?

LITERATURE REVIEW

Brand Equity

A brand is a product or service whose dimensions differentiate it in some way from other products or services designed to satisfy the same need. These differences may be functional, rational, or tangible related to product performance of the brand. They may also be more symbolic, emotional, or intangible related to what the brand represents or means in a more abstract sense (Kotler & Keller 2012). Furthermore, Kotler & Keller (2012) mentioned that brand equity is the
added value endowed on products and services. It may be reflected in the way consumers think, feel, and act with respect to the brand, as well as in the prices, market share, and profitability the brand commands.

Commonly, there are two popular theory about brand equity which is proposed by Aaker and Keller. Aaker (1991) mentioned there are five elements in the concept of brand equity. The five categories of assets that underlie brand equity are shown as being the basis of brand equity. There are: (1) brand loyalty, (2) awareness of the brand name and symbols, (3) perceived quality, (4) a set of association, and (5) other proprietary brand assets.

Brand loyalty is essential as the purpose of a brand. For any business it is expensive to gain new customers and relatively inexpensive to keep existing ones, especially when the existing customers are satisfied with or even like the brand. In fact, in many markets there is substantial inertia among customers even if there are very low switching costs and low customer commitment to the existing brand. Thus, an installed customer base has the customer acquisition investment largely in its past. Further, at least some existing customers provide brand exposure and reassurance to new customers. The loyalty of the customer base reduces the vulnerability to competitive action. Competitors may be discouraged from spending resources to attract satisfied customers.

Awareness of the brand name and symbols illustrate about how people usually buy a familiar brand because they are comfortable with the familiar. Or there may be an assumption that a brand that is familiar is probably reliable, in business to stay, and of reasonable quality. A recognized brand will thus often be selected over an unknown brand. The awareness factor is particularly important in contexts in which the brand must first enter the consideration set it must be one of the brands that are evaluated.

Furthermore, perceived quality will directly influence purchase decisions and brand loyalty, especially when a buyer is not motivated or able to conduct a detailed analysis. It can also support a premium price which, in turn, can create gross margin that can be reinvested in brand equity. Further, perceived quality can be the basis for a brand extension. If a brand is well-regarded in one context, the assumption will be that it will have high quality in a related context.

A set of association explain about how well is a brand positioned upon a key attribute in the product class (such as service backup or technological superiority), competitors will find it hard to attack. If they attempt a frontal assault by claiming superiority via that dimension, there will be a credibility issue. They may be forced to find another, perhaps inferior, basis for competition. Thus, an association can be a barrier to competitors.

The last three brand-equity categories we have just discussed represent customer perceptions and reactions to the brand; the first was the loyalty of the customer base. The fifth category represents such other proprietary brand assets as patents, trademarks, and channel relationships. Brand assets will be most valuable if they inhibit or prevent competitors from eroding a customer base and loyalty. These assets can take several forms. For example, a trademark will protect brand equity from competitors who might want to confuse customers by using a similar name, symbol, or package. A patent, if strong and relevant to customer choice, can prevent direct competition. A distribution channel can be controlled by a brand because of a history of brand performance.

Hence, beside the Aaker model, Keller (2013) developed a Customer Based Brand Equity (CBBE) into Resonance Pyramid Model. In this model, CBBE have six categories. There are (1) brand salience, (2) brand performance, (3) brand imagery, (4) brand judgements, (5) brand feelings, and (6) brand resonance. All of these elements are, in a simple word, could be divided into two different sides, especially at the same side but different level as brand performance and brand judgements are represent as a rational sides of customers opinion, as well as brand imagery and brand feelings are representing the other side; customers emotion.

Brand salience measures various aspects of the awareness of the brand and how easily and often the brand is evoked under various situations or circumstances. To what extent is the
brand top-of-mind and easily recalled or recognized? What types of cues or reminders are necessary? How pervasive is this brand awareness? Comparing to the Aaker model (1991), brand salience from the CBBE is remain the same with the brand awareness element. It starts to realize if customers familiar with the brand, and how they are able to recall and even recognition easily without any effort.

Thus, brand performance, in simple word, is measure about the performance which is offered by the brand. The product itself is at the heart of brand equity, because it is the primary influence on what consumers experience with a brand, what they hear about a brand from others, and what the firm can tell customers about the brand in their communications. Designing and delivering a product that fully satisfies consumer needs and wants is a prerequisite for successful marketing, regardless of whether the product is a tangible good, service, organization, or person. To create brand loyalty and resonance, marketers must ensure that consumers’ experiences with the product at least meet, if not actually surpass, their expectations. Brand performance describes how well the product or service meets customers’ more functional needs. How well does the brand rate on objective assessments of quality? To what extent does the brand satisfy utilitarian, aesthetic, and economic customer needs and wants in the product or service category?

The other main type of brand meaning is brand imagery. Brand imagery depends on the extrinsic properties of the product or service, including the ways in which the brand attempts to meet customers’ psychological or social needs. It is the way people think about a brand abstractly, rather than what they think the brand actually does. Thus, imagery refers to more intangible aspects of the brand, and consumers can form imagery associations directly from their own experience or indirectly through advertising or by some other source of information, such as word of mouth.

Brand judgments are customers’ personal opinions about and evaluations of the brand, which consumers form by putting together all the different brand performance and imagery associations. Customers may make all types of judgments with respect to a brand, but four types are particularly important: judgments about quality, credibility, consideration, and superiority. Brand judgments are customers’ personal opinions about and evaluations of the brand, which consumers form by putting together all the different brand performance and imagery associations.

Brand feelings are customers’ emotional responses and reactions to the brand. Brand feelings also relate to the social currency evoked by the brand. What feelings are evoked by the marketing program for the brand or by other means? How does the brand affect customers’ feelings about themselves and their relationship with others? These feelings can be mild or intense and can be positive or negative.

The final step of the model focuses on the ultimate relationship and level of identification that the customer has with the brand. Brand resonance describes the nature of this relationship and the extent to which customers feel that they are “in sync” with the brand. Comparing to the Aaker model (1991), this vital element is similar with the brand loyalty, because overall, the main purpose of the marketing efforts is to create customers to falling in love with the brand.

Attitude

Blackwell, Miniard, & Engel (2001) defined consumer behavior as those acts of individuals directly involved in obtaining, using, and disposing of economic goods and services, including the decision processes that precede and determine these acts. Furthermore, according to Hawkins & Mothersbaugh (2013) mentioned that consumer behavior is the study if individuals, groups, or organizations, and the processes they use to select, secure, use and dispose of products, services, experiences or ideas to satisfy needs and the impacts that these processes have on the consumer and society. There are several factors that lead to the consumer behavior, for instance; attitude. The attitude of customer commonly will lead to the customer intention and affect how they behave toward the brand or the product (Yoga and Paramartha, 2018).
Noel (2009), argue that attitudes have a certain impact on consumer decision-making process, but might not be a reason of the actual behavior. Having positive attitude towards something does not necessarily mean an actual purchase of the preferred good. Hence, according to Kotler & Keller (2012) attitude is a person's enduring favorable or unfavorable evaluations, emotional feelings, and action tendencies toward some object or idea. Solomon (2018) mentioned there are three components of an attitude as the ABC model of attitudes. First, affect describes how a consumer feels about an attitude object. Second, Behavior refers to the actions he or she takes toward the object or in some cases at least his or her intentions to take action about it. The last one is cognition is what he or she believes to be true about the attitude object.

Country of Origin (COO)

Country of origin (COO) is an international term that indicates where a product is produced or processed or in short as a place of a product made up. COO also usually determines consumer perceptions of the quality product. For example, Nike, Inc is a brand of sports products. Nike is from the United States. The United States is known as a country that produces products of very good quality. With the perception of people who are familiar with it, Nike is very easy to influence consumer interest in terms of country of origin. Wong, Polonsky, & Garma (2008) mentioned three components of COO. There are: (1) Country of Assembly (COA) that is where the product assembled, (2) Country of Design (COD) that is where the product designed, and (3) Country of Parts (COP) that is where the parts or component were made.

Koschate-Fischer, Stefan, & Hoyer, (2012) mentioned that generally, consumers are ready to spend more money for a branded product from a COO with a more favorable country image. Global brands may create higher levels of perceived brand quality than local ones which lead consumers to prefer global brands. In other words, if a brand is perceived global, consumers may attribute higher quality to the brand because such quality is likely to be thought of as critical to global acceptance (Steenkamp, Batra, & Alden, 2003). The other reason may be related with consumers' perceptions of global brands' prestige and images when compared to local ones. For example, in previous research, it is revealed that there is a relationship between brand's image, prestige and its globalness which can be created by different means such as advertising messages, brand logo, names, celebrities etc (Ozsomer, 2012; De Meulenaer, Dens, & De Pelsmacker, 2015).

Price

Skitmore & Smyth (2007) mentioned that conceptually price becomes the major marketing issue, which accords with practice in a fragmented and competitive market. Price is a way for a seller to differentiate his offer from competitors. Pricing can be considered as part of the function of product differentiation in marketing. Prices are also very relative. If a buyer has the opportunity to buy the same goods and services at a lower price, the buyer will. Companies must consider many factors in developing policies to set prices. Hence, Kotler & Keller (2012) mentioned there are several pricing strategies, but generally, there are two most popular pricing strategies which often used by marketer as follows (1) skimming pricing where the company sets a high price on new products to redeem maximum revenue piecemeal from segments that are willing to pay high prices, and (2) penetration pricing where companies set low prices on new products to attract a large number of buyers and a large market penetration. Moreover, Blechschmidt (2019) added another popular pricing strategy, which are; (4) high price or also known as premium or luxury pricing is commonly adopted by brands that want to build and maintain their identity around quality and exclusivity. It is based on the reasoning that certain target demographics would prefer to pay higher prices in return for a brand with the right kind of image and credentials, then the price in itself therefore becomes a key differentiator, (5) mid-price, which is the most common type in mass market goods because they seek to find a middle-ground compromise between all
competing factors, such as costs versus revenues, quality versus value, demand versus competition, (6) low price or economy pricing is arguably the strategy that takes the principle of the demand curve most literally, that if prices is drop your, demand will increase. Economy pricing is widely employed by specialist discount or value brands that seek to make high demand profitable by cutting back costs as far as possible. Most supermarkets engage in economy pricing on the core grocery lines they sell, using their buying power and economies of scale to drive down wholesale costs. Most also now produce their own 'no frills' product lines, pushing down costs further still with minimal branding and marketing expenditure.

**Purchase Intention**

Crosno, Freling & Skinner (2009) described that purchase intention refers to the possibility of purchasing a special brand in a product category during purchase. Shah et al., (2012) argue that purchase intention is a kind of decision-making that studies the reason to buy a particular brand by consumer. Thus, Gogoi (2013) mentioned that purchase intention may be changed under the influence of price or perceived quality and value. In addition, consumers are affected by internal or external motivations during the buying process.

Purchase intention may predict or direct a real future behavior; that is, it may predict the realization of a purchase (Zeithaml, Berry, & Parasuraman, 1996; Ramayah, Lee, & Mohamad, 2010) by the customer. Therefore, the intention is influenced by the level of effort necessary to affect the behavior, along with the convenience, the associated costs, and the time involved (Bagozzi, Yi, & Baumgartner, 1990; Ramayah, Lee, & Mohamad, 2010). Engel, Blackwell, and Miniard (1995), the intention is the direct antecedent of purchase, which receives influences from the environment and the customer. The environmental factors include the lack of time the customer has to purchase and the financial limits, both of which may inhibit a purchase intention from leading to a real purchase. In short, the purchase intention is defined as the disposition the customer presents to acquire a product and/or service and the probability of this to be effectively purchased.

**Brand Equity in Consumer Attitude**

Sangadji & Sopiah (2013) suggested brand trust, brand evaluation, and intention to buy are three components of attitude. Brand trust is the cognitive of attitude, brand evaluation is an affective component or feeling, the intention to buy is a conative component or action. Based on the premier model that constructed by Sangadji & Sopiah (2013), this research tries to develop and propose a new idea of the framework of Resonance Pyramid Model by Keller (2013).

**Figure 1. Sangadji & Sopiah Framework (2013)**

![Brand Equity in Consumer Attitude Diagram](image)

In determining a consumer's attitude, brand salience will be comparing with Brand Trust in cognitive. Brand salience concerns how consumers can be aware of the brand. It is very important to take brand salience because the most important thing in determining consumer attitudes is how to make consumers aware or recognize the brand. Making consumers aware is the most important thing before making consumers trust. Furthermore, from brand performance will be known how the performance of a brand. This concerns how good or bad the performance
of the components of a product from the brand. In addition to brand salience and brand performance, brand imagery will strengthen consumer views about the brand. This will be sharper than Sangadji's Brand Evaluation in the affective.

This research will add some input to Sangadji & Sopiah’s way of thinking which argues that what determines attitude is brand trust, brand evaluation, intention to buy, and thereafter attitude. This will be different where the attitude is determined after the consumer knows the brand. This will be positive and negative responses. If it is positive, the consumer will proceed to the next stage, namely to the purchase intention stage, and if it is negative, the consumer will just leave. This is supported based on research from Yoga & Paramartha (2018), stated that the attitude as an object reference to product advertising concept, brand, service, and usage. Even though, their consistency and act, but this thing are temporary, and probably change according to the certain situation. Varshney & Joy (2015), mentioned in understanding consumers attitudes can help to comprehend consumer intention to purchase goods and service.

Next is COO. This is taken because it is the consumer's perception of the country of origin of the goods originating. COO will determine perceptions that usually involve the quality of a product. If the country has a good image, the quality of the goods is good. Thus, price is the last view of consumers how they determine attitudes. No wonder the price with the specifications and quality of the goods is the reason. Another reason for product prices is in terms of consumer income. This is how the consumer determines which items are the most reasonable to buy based on consumer income. And after everything is positive, the purchase intention from the consumer will arise. Thus, in this study the framework model will be:

**Figure 2. The propose model of brand equity in consumer attitude**

![Figure 2. The propose model of brand equity in consumer attitude](image)

**Research Hypothesis**

H1 = Brand Salience positively influence on Attitude.
H2 = Brand Performance positively influence on Attitude.
H3 = Brand Imagery positively influence on Attitude.
H4 = Brand Salience, Brand Performance, and Brand Imagery positively influence simultaneously on Attitude.
H5 = Attitude positively influence on Purchase Intention.
H6 = Country of Origin (COO) positively influence on Purchase Intention.
H7 = Price positively influence on Purchase Intention.

METHOD

Kwon (2007), stated that “Millennial Generation” or well known as “Nintendo-Internet-Digital Generation”, “Echo Generation”, “Nexter”, or commonly known as “Y Generation” is a generation who born in 1980 era until the beginning of 2000, in other word, this generation is production is a productive age generation with an age range from 17 years to 37 years or included in the productive generation. The sampling technique uses quota sampling technique. According to Hair et al. (2010), the number of respondents is depending on the number of indicators multiplied by 5 to 10. Based on the calculations it can be concluded that a minimum of 120 respondent samples were used. The population elements selected as samples can be caused by chance or other factors previously planned by the researcher. Accidental sampling is a technique for determining samples based on spontaneity factors, meaning that anyone who accidentally meets researcher and is appropriate with characteristics then that person can be used as a sample (respondent). Criteria of sample are (1) Millennial generation, (2) has income at least 10 million rupiahs per month, (3) has experience using both brand; Iphone and Xiaomi.

Moreover, this research employed quantitative method in order to provide a more precise explanation of the facts faced. This method is expected to be able to explain the effect of brand salience, brand performance, brand imagery, attitude, COO, and price on purchase intention. Questionnaire was made using a 1-5 Likert Scale to represent the opinions of the respondents, which scores given on each respondent’s answers were (1) strongly agree; rated 5, (2) agree; rated 4, (3) neutral; rated 3, (4) disagree, rated 2, and (5) strongly disagree, rated 1.

This research uses path analysis techniques. According to Riduwan and Kuncoro (2014) path analysis is used to analyse how the pattern of relationships between variables aims to determine the direct or indirect effects of independent variables (exogenous) on the dependent variable (endogenous). This study uses Smart PLS software version 3.0.m3 which is run on computer media. PLS (Partial Least Square) is a variant-based structural equation analysis (SEM) technique which can simultaneously test measurement models while testing structural models.

RESULT AND DISCUSSION

Data collection was done through the distribution of questionnaires to respondents in this study are people who live in the city of Bali with a minimum level of diploma or college education and have a minimum income approximately 10 million rupiah per month. Questionnaires were distributed to 120 respondents in which were conducted for two weeks. Table 1 shows that the majority of respondents who have interest in buying Xiaomi compared to the iPhone come from a variety of gender, age, occupation, and recent education. Based on gender criteria, it is shown that male respondents dominate in this study with a percentage of 63.33 percent, this indicates that men tend not to pay too much attention to products with high prestige brands such as the iPhone, but rather are more interested in trying Xiaomi as an iPhone challenger product. Based on the age criteria of the respondents, the data shows that respondents were dominated at the age of 21-30 years with a percentage of 53.33 percent. This means that, the millennial generation respondents in this study average age 21-30 years where this age range tends to work and have income, so they have the ability to make smartphone purchases.

Table 1
### Characteristics of Respondents

<table>
<thead>
<tr>
<th>No</th>
<th>Characteristics</th>
<th>Classification</th>
<th>Respondent (person)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gender</td>
<td>Male</td>
<td>76</td>
<td>63.33</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>44</td>
<td>36.67</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>120</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td>2</td>
<td>Age</td>
<td>21-30 Years old</td>
<td>64</td>
<td>53.33</td>
</tr>
<tr>
<td></td>
<td></td>
<td>31-40 Years old</td>
<td>38</td>
<td>31.67</td>
</tr>
<tr>
<td></td>
<td></td>
<td>41-50 Years old</td>
<td>12</td>
<td>10.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt; 50 Years old</td>
<td>6</td>
<td>5.00</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>120</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td>3</td>
<td>Last Education</td>
<td>Diploma</td>
<td>11</td>
<td>9.17</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Undergraduate</td>
<td>59</td>
<td>49.17</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Graduate</td>
<td>50</td>
<td>41.67</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>120</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td>4</td>
<td>Occupation</td>
<td>Civil servant</td>
<td>22</td>
<td>18.33</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Private sector employee</td>
<td>37</td>
<td>30.84</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Entrepreneur</td>
<td>61</td>
<td>50.83</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>120</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2019

Furthermore, if it is reviewed based on the latest education group, it can be seen that the most recent undergrad education dominates in this study with 59 respondents or 49.17 percent of the total respondents. This is because in the education category, it is considered to have enough income to make up-to-date style to purchase Xiaomi products. The grouping of respondents based on work shows that the majority of consumers in Bali who have an interest in buying Xiaomi compared to the iPhone are respondents who are already working as entrepreneurs. This is because respondents who work as entrepreneurs must have a fixed income every month, so they are able to make a purchase of a product.

### Table 2

**Validity Test Results**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indikator</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand salience</td>
<td>X1.1</td>
<td>0.872</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.2</td>
<td>0.867</td>
<td>0.000</td>
<td>Valid</td>
</tr>
</tbody>
</table>
The validity test results in table 2 shows that all research instruments used to measure brand salience, brand performance, brand imagery, COO, price, attitude and purchase intention variables have correlation coefficient values with a total score of all statement items greater than 0.30 with a significance of less than 0.05. This shows that the items in the statement of the research instrument are valid and suitable to be used as research instruments.

<table>
<thead>
<tr>
<th>No.</th>
<th>Variable</th>
<th>Cronbach’s Alpha</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Brand salience (X1)</td>
<td>0.826</td>
<td>Reliabel</td>
</tr>
</tbody>
</table>
The reliability test of this research instrument uses the Cronbach’s Alpha value, which is to find out the unidimensionality of the statement items on the latent variables studied (brand salience, brand performance, brand imagery, COO, price, attitude and purchase intention). The Cronbach Alpha value is declared reliable if the value is greater or equal to 0.60. The reliability test results presented in Table 3 show that all research instruments have a Cronbach’s Alpha coefficient of more than 0.60. It means that all variables meet the reliability or reliability requirements so that they can be used to conduct research.

### Table 4
**Convergent Validity Results Test**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicators</th>
<th>Outer Loading</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brand salience</strong></td>
<td>X1.1 Brand is more often thought by customer</td>
<td>0.905</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.2 Brand is more often heard by customer</td>
<td>0.865</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Brand is more likely to be used by customer</td>
<td>0.822</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.3 customer</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Brand performance</strong></td>
<td>X2.1 Brand provides better product functionality</td>
<td>0.799</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X2.2 Brand satisfies basic needs better</td>
<td>0.876</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X2.3 Brand features better</td>
<td>0.853</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X2.4 Brand is more durable</td>
<td>0.758</td>
<td>Valid</td>
</tr>
<tr>
<td><strong>Brand imagery</strong></td>
<td>X3.1 Brand is more widely used in the environment</td>
<td>0.844</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X3.2 Brand is sold in many places</td>
<td>0.862</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X3.3 Brand more improves social status</td>
<td>0.815</td>
<td>Valid</td>
</tr>
<tr>
<td><strong>Country of Origin (COO)</strong></td>
<td>X4.1 COO of brand is better in design</td>
<td>0.864</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X4.2 COO of brand has a higher level of education and technological mastery</td>
<td>0.874</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X4.3 COO of brand have a better reputation</td>
<td>0.839</td>
<td>Valid</td>
</tr>
</tbody>
</table>
Convergent validity with reflexive indicators can be seen from the correlation between the indicator score and the variable score. Individual indicators are considered reliable if they have a correlation value above 0.50. The convergent validity test results in Table 4, show that all outer loading indicators of variable variables have values greater than 0.50. Thus, it can be concluded that all indicators have met the requirements of convergent validity.

**Table 5**

*Cross Loading Test Results*
Based on Table 5, it can be seen that the correlation of the brand salience (X1) variable with the indicator is higher than the correlation with the brand performance indicator (X2), brand imagery (X3), COO (X4), Price (X5), attitude (Y1), and purchase intention (Y2). The correlation between the brand performance (X2) variable and its indicator is higher than the correlation with the brand salience (X1), brand imagery (X3), attitude (X4), and purchase intention (Y2) indicators. Correlation of the brand imagery variable (X3), with indicators higher than the correlation with the indicators brand salience (X1), brand performance (X2), attitude (X4), COO (X4), price (X5), and purchase intention (Y). The correlation of COO (X4) variables with the indicator is higher than the correlation with the indicators brand salience (X1), brand performance (X2), brand imagery (X3), price (X5), attitude (Y1), and purchase intention (Y2). The correlation variable price (X5) with the indicator is higher than the correlation with the indicator brand salience (X1), brand performance (X2), brand imagery (X3), COO (X4), attitude (Y1), and purchase intention (Y2). The correlation variable price (X5) with price (X5) and purchase intention (Y2) is higher than the correlation with the indicators brand salience (X1), brand performance (X2), COO (X4), price (X5), and purchase intention (Y2). The correlation between purchase intention (Y2) and its indicators is higher than the correlation with the indicators brand salience (X1), brand performance (X2), brand imagery (X3), COO (X4), price (X5), and attitude (Y1).
Table 6.
Average Variance Extracted (AVE) Test Results

<table>
<thead>
<tr>
<th>No.</th>
<th>Variable</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Brand salience (X1)</td>
<td>0.747</td>
</tr>
<tr>
<td>2</td>
<td>Brand performance (X2)</td>
<td>0.677</td>
</tr>
<tr>
<td>3</td>
<td>Brand imagery (X3)</td>
<td>0.706</td>
</tr>
<tr>
<td>4</td>
<td>Country of Origin (X4)</td>
<td>0.738</td>
</tr>
<tr>
<td>5</td>
<td>Price (X5)</td>
<td>0.577</td>
</tr>
<tr>
<td>6</td>
<td>Attitude (Y1)</td>
<td>0.785</td>
</tr>
<tr>
<td>7</td>
<td>Purchase intention (Y2)</td>
<td>0.647</td>
</tr>
</tbody>
</table>

Source: Processed Data Results, 2019

Another discriminant validity test is by assessing the validity of the variable from the average variance extracted (AVE) value. The model can be assuming is good if the AVE of each variable's value is greater than 0.50. The output results in Table 6 show that the AVE value of all variables is greater than 0.50 so the model can be said is good.

Table 7
Determination Coefficient Value

<table>
<thead>
<tr>
<th>Variable</th>
<th>R-square</th>
<th>R-square Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude (Y1)</td>
<td>0.729</td>
<td>0.721</td>
</tr>
<tr>
<td>Purchase intention (Y2)</td>
<td>0.748</td>
<td>0.740</td>
</tr>
</tbody>
</table>

Source: Processed Data Results, 2019

In this structural model, there are two dependent variables, namely: attitude (Y1) and purchase intention (Y2). The coefficient of determination (R2) of each dependent variable can be presented in Table 7 above. The model influence of brand salience, brand performance, and brand imagery, on attitude gives an R-square value of 0.729 which can be interpreted that the variability of attitude variables can be explained by the variability of brand salience, brand performance, and brand imagery variables, amounting to 72.9 percent, while 27.1 percent is explained by other variables outside the study. Furthermore, COO, price and attitude models for purchase intention give an R-square value of 0.748 which can be interpreted that the variability of the purchase intention variable can be explained by the variability of the COO, price and attitude variables by 74.8 percent, while 25.2 percent explained by other variables outside the study.

To measure how well the observational values generated by the model and also the estimated parameters, it is necessary to calculate Q-square (Q2) as follows:

\[ Q^2 = 1 - (1 - R_1^2)(1 - R_2^2) \]

\[ = 1 - (1 - 0.729)(1 - 0.748) \]

\[ = 1 - (0.271)(0.252) \]

\[ = 1 - 0.068 \]

\[ = 0.932 \]

Q2 value has a value with a range of 0 < Q2 < 1, where the closer to 1 means the better the model. The results of these calculations obtained a Q2 value of 0.932, so it can be concluded that the model has a very good predictive relevance. Thus, it can be explained that 93.2 percent of
variation in Purchase intention is influenced by brand salience, brand performance, brand imagery, COO, price and attitude while the remaining 6.8 percent is influenced by other variables.

**Figure 3**

**Brand equity in consumer attitude**

Brand salience (cognitive) directly affects attitude with a coefficient of 0.299. Brand performance (cognitive) directly affects attitude with a coefficient of 0.377. Brand imagery (affective) has a direct effect on attitude (conative) with a coefficient of 0.280. COO directly influences purchase intention with a coefficient of 0.244. Price directly affects the purchase intention with a coefficient of 0.437. Attitude directly influences purchase intention with a coefficient of 0.354. Based on the empirical model of the study in Figure 3, it can be seen that the highest outer loading value on the brand salience variable is found in indicator X1.1, namely "brand is more often thought by customer" with a value of 0.905. This shows that consumers tended to think about Xiaomi more often than the iPhone brand. When viewed from the brand performance variable, the data shows the highest loading value contained in indicator X2.2, namely "brand satisfies basic needs better" with a value of 0.876. This gives information that consumers tend to feel that Xiaomi is better able to meet basic needs better than the iPhone.

Then the indicator that gets the highest factor loading value on the brand imagery variable is X3.2, that is "brand is sold in many places" with a value of 0.862. This shows that respondents feel that Xiaomi is more widely available in various places than the iPhone. This is in accordance with field conditions which indeed show that iPhone products are more focused on specialized iPhone stores. This is different from Xiaomi products that can be found at any mobile phone shop. Hence, the highest outer loading value on the county of origin variable is at indicator X4.2 with a value of 0.874. This shows that most respondents considered that COO from Xiaomi have higher level of education and expertise in technology than COO from iPhone.
When viewed from the price variable, the data shows the highest loading value contained in indicator X5.2, namely "The price and features offered by brands are more comparable" with a value of 0.789. This gives information that consumers tend to feel that the features given by Xiaomi are in accordance with the price. Furthermore, the indicator that obtained the highest factor loading value on the attitude variable was Y1.1 indicator, namely "Brand is more realized" with a value of 0.901. This shows the respondents tended to be more aware of Xiaomi products than the iPhone. Whereas, for the purchase intention variable, the one with the highest factor loading value is the Y2.3 indicator, which is "interested to try" with a value of 0.851. This shows that consumers tended to be more interested in trying Xiaomi than the iPhone. Testing the direct effect between variables can also be seen from the results of the path coefficient validation test for each path for the direct effect in the following Table 8:

### Table 8
**Path Coefficients Results Test**

<table>
<thead>
<tr>
<th>Path Coefficients</th>
<th>Original Samples</th>
<th>t Statistics</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand salience (X1) → Attitude (Y1)</td>
<td>0.299</td>
<td>3.313</td>
<td>Significant</td>
</tr>
<tr>
<td>Brand performance (X2) → Attitude (Y1)</td>
<td>0.377</td>
<td>3.845</td>
<td>Significant</td>
</tr>
<tr>
<td>Brand imagery (X3) → Attitude (Y1)</td>
<td>0.280</td>
<td>3.658</td>
<td>Significant</td>
</tr>
<tr>
<td>Country of Origin (x4) → Purchase intention (Y2)</td>
<td>0.244</td>
<td>2.822</td>
<td>Significant</td>
</tr>
<tr>
<td>Price (X5) → Purchase intention (Y2)</td>
<td>0.437</td>
<td>5.574</td>
<td>Significant</td>
</tr>
<tr>
<td>Attitude (Y1) → Purchase intention (Y2)</td>
<td>0.354</td>
<td>5.308</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source: Processed Data Results, 2019

Based on the results of the path coefficients above, it can be determined the results of testing the hypothesis described in the following description:

1) Hypothesis testing on the effect of brand salience on attitude produces a correlation coefficient of 0.299. The value of t Statistics is 3.313 (> t-critical 1.96), then the effect of Brand salience on Attitude is significant. Thus, the hypothesis which states that brand salience has a positive effect on attitude is accepted.

2) Hypothesis testing on the effect of brand performance on attitude produces a correlation coefficient of 0.377. The t Statistics value is 3.845 (> t-critical 1.96), so the effect of brand performance on attitude is significant. Thus, the hypothesis which states that brand performance has a positive effect on attitude is accepted.

3) Hypothesis testing on the influence of brand imagery on attitude produces a correlation coefficient of 0.280. The value of t Statistics is 3.658 (> t-critical 1.96), then the influence of Brand imagery on Attitude is significant. Thus, the hypothesis which states that brand imagery has a positive effect on attitude is accepted.

4) Hypothesis testing on the influence of COO on purchase intention produces a correlation coefficient of 0.244. T Statistics value obtained 2.822 (> t-critical 1.96), then the influence
of COO on purchase intention is significant. Thus, the hypothesis which states that COO has a positive effect on purchase intention, is accepted.

5) Hypothesis testing on the effect of price on purchase intention produces a correlation coefficient of 0.437. T Statistics value obtained 5.574 (> t-critical 1.96), then the effect of price on purchase intention is significant. Thus, the hypothesis stating that price has a positive effect on purchase intention is accepted.

6) Hypothesis testing on the effect of attitude on purchase intention produces a correlation coefficient of 0.354. T Statistics value obtained 5.308 (> t-critical 1.96), then the effect of attitude on purchase intention is significant. Thus, the hypothesis stating that attitude has a positive effect on purchase intention is accepted.

**CONCLUSION**

The analysis shows that brand salience has a positive effect on Attitude. This means that the more important meaning of a product brand for consumers, it will affect consumer attitudes in assessing the product. Conversely, if the meaning of a product's brand is increasingly unimportant for consumers, the respondents' assessment of the product's brand will decrease. The results of this study indicate that the indicators used to measure brand salience variables can significantly influence consumer attitudes. If the millennial generation often thinks of the Xiaomi brand, then hears more about the Xiaomi product and the Xiaomi brand tends to be used more often by the customer, then it can increase the positive attitude of consumers towards Xiaomi products compared to iPhone products.

Moreover, brand performance has a positive effect on Attitude. This means that the higher the performance produced by a product, it will affect consumer attitudes in assessing the product positively. Conversely, if the lower the performance of a product, the respondents' assessment of the product brand will decrease. The results of this study indicate that the indicators used to measure brand performance variables can significantly influence consumer attitudes. If the millennial generation considers that the Xiaomi brand is able to provide better product functionality than the iPhone, then the Xiaomi brand is able to meet the basic needs of consumers better than the iPhone, then the Xiaomi brand has better features and is more durable than the iPhone, then that able to increase the positive attitude of consumers towards Xiaomi products compared to iPhone products.

Brand imagery has a positive effect on Attitude. This means that the higher the brand image a product has, the more attitudes consumers will have in evaluating the product positively. Conversely, if the lower the brand image produced by a product, the consumer's attitude to the product brand will decrease. The results of this study indicate that the indicators used to measure brand imagery variables can significantly influence consumer attitudes. If the millennial generation considers that the Xiaomi brand is more widely used in the environment, then the Xiaomi brand is sold in many places, and the Xiaomi brand further enhances the consumer's social status, then it can increase the positive attitude of consumers towards Xiaomi products compared to iPhone products.

Brand salience, brand performance and brand imagery simultaneously have a positive effect on attitude. This means that the more important the brand meaning of a product for consumers, then the higher the performance of a product, and the higher the brand image of a product, the better the attitude of consumers in evaluating the product. Conversely, if the more important meaning of a product brand for consumers, then the lower the performance produced and the lower the brand image that is owned, then the assessment of respondents on the product brand will be increasingly reduced. The results of this study indicate that indicators used to measure brand salience, brand performance and brand imagery variables can significantly influence consumer attitudes. If the millennial generation judges that Xiaomi's brand salience, brand performance and imagery are higher than the iPhone, consumers will tend to be more
aware of Xiaomi than the iPhone, then want Xiaomi more than the iPhone and will buy Xiaomi more often than the iPhone.

COO has a positive effect on purchase intention. This means that the higher the country of origin of a product, it will be able to increase consumer interest in buying the product. Conversely, if the lower the country of origin of a product, the consumer's decision to buy the product brand will decrease. The results of this study indicate that indicators used to measure country of origin variables can significantly influence consumer buying interest. If millennial consumers consider that COO from Xiaomi is more reliable in designing products than COO from iPhone, then COO from Xiaomi has a higher level of education and expertise in technology than COO from iPhone, and COO from Xiaomi has a better reputation than COO from iPhone, then it can increase consumer buying interest in Xiaomi products compared to iPhone products. In this study Xiaomi consumers consider that the Chinese state has a positive image, both the overall state image, the image of products manufactured in China and the image of certain products. This means that the more positive the country’s image of the smartphone comes from, the decision to buy products is more positive.

Price has a positive effect on purchase intention. This means that the more affordable the price of a product, it will be able to increase consumer interest in buying the product. Conversely, the more affordable the price of a product, the consumer's decision to buy the product brand will be increasingly reduced. The results of this study indicate that the indicators used to measure price variables can significantly influence consumer buying interest. If a millennial generation considers that the price of a product from Xiaomi is more affordable than an iPhone, then the features given by Xiaomi are in accordance with the price, and the quality provided by Xiaomi is in accordance with the price, then it can increase consumer buying interest in Xiaomi products compared to iPhone products. Conversely, if the millennial generation consumers judge that the features provided by the iPhone are in accordance with the price, and the quality provided by the iPhone is in accordance with the price, then it can increase consumer buying interest in iPhone products compared to Xiaomi products. The results in this study indicate that price is one of the considerations of consumers in making purchasing decisions. Consumers in this study decided to buy a Xiaomi smartphone because the price is competitive and affordable compared to other smartphone products from different brands but with features, functions and higher quality in the same price range.

The analysis shows that attitude has a positive effect on purchase intention. This means that the more positive attitude of consumers in assessing a product, it will be able to increase consumer interest in buying the product. Conversely, if the more negative or low attitudes of consumers in assessing a product, the consumer's interest to buy the product brand will be increasingly reduced. The results of this study indicate that the indicators used to measure attitude variables can significantly influence consumer buying interest. If the millennial generation has an attitude that tends to be more aware of Xiaomi than the iPhone, then wants Xiaomi more than the iPhone and more often buys Xiaomi than the iPhone then it can increase consumer buying interest in Xiaomi products compared to iPhone products.

Thus, the analysis shows that country of origin, price and attitude simultaneously have a positive effect on Purchase intention. This means that the higher the country of origin of a product, the more affordable the price of a product, and the more positive the attitude of the consumer in assessing a product, the more consumers will be able to buy the product. Conversely, if the lower the country of origin of a product, the more unaffordable the price of a product and the more negative or lower the attitude of consumers in assessing a product, the consumer's interest in buying the brand of the product will decrease. The results of this study indicate that the indicators used to measure country of origin, price and attitude variables can significantly influence consumer attitudes. If millennial generation thinks that Xiaomi's country of origin, price and attitude are higher than iPhone, consumers will be more interested in finding out information about Xiaomi than iPhone, then more considering buying Xiaomi than iPhone, then more interested in
trying Xiaomi than the iPhone, and more interested in trying Xiaomi than the iPhone and more want to have Xiaomi than the iPhone.
References


