

PONTIANAK SMART CITY THROUGH ORIGINAL DIGITAL PRODUCT OF PONTIANAK CITY: A REVIEW OF PRODUCT KNOWLEDGE, BRAND AWARENESS AND TRUST

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ABSTRACT

This study aims to test and analyze the influence of product knowledge, brand awareness and trust upon consumer's decision in using original digital product of Pontianak city. This is a quantitative study. Populations of the research were consumers that had used Angkuts, Tripy, and Gurukite.com services. A total of 100 respondents were obtained using purposive sample method, with sample criteria as follows: 17 years old or older, recognize and have used Angkuts, Tripy and Gurukite.com services. Double linier regression analysis was used as data processing technique.

The study findings proved that each variable has different effect on purchasing decision. Product knowledge and brand awareness variables have significant effect while trust variable is insignificant to consumer's decision on using Angkuts. All three hypotheses are significant on Tripy and Gurukite.com. Product knowledge value was negative on Tripy and brand awareness value was negative on Gurukite.com. These findings suggest different recommendation for each digital product.

Keywords: product knowledge, brand awareness, trust, purchasing decision

INTRODUCTION

The highly developed urbanization induces various problems in the city, making it urgent to solve the issues caused by the high population. In facing those urban problems while keeping its performance, several construction concepts and city managements are being developed, one of which is through smart city concept; a city management and development based on information and communication technology. The big company of IBM, one of the pioneers of this concept, used this concept to promote its innovation product promotion, the Big Data, in Smart Planet concept in 2008 (Cocchia, 2014).

The development of Smart City concept encourages the youth of Pontianak City to do some innovations by creating a digital products that benefit Pontianak residents.

Table 1.1 Data of Original Digital Product of Pontianak City Year 2015-2017

Year of Est.	Digital Product	Offered Services
2015	Bujang Kurir	Any couriers or delivery services
2015	Angkuts	Garbage pickup
2016	Travella	Taxi order and online transportation services
2016	Tripy	Passenger and other services
2016	Gurukite.com	Online private teacher provider
2017	Belanjedapok	Online buyig for food daily product
2017	Gencil	Pontianak Update Info

Source: www.pontianakdigitalstream.id

Consumers' decision in using a product is based on positive reviews of the product. Lin and Chen (2004) proved that when a consumer makes a decision, they will find further information in advance before making any purchase. They consider the local image, country of origin and product knowledge as important elements when purchasing. Primary sources of product knowledge include a consumer's experience with the actual product and advertising aimed at affecting a consumer's decision to select a product (Rao and Monroe, 1988). Product knowledge consistently ranks among the most important influences regarding consumer purchase behavior (Burton et al., 2009), and product value and purchase risk determinations can be made based upon such knowledge. Besides, the company should establish brand awareness, when consumer can recall a brand, so they can distinguish a product with another or among

its product competitors. Brand awareness is the ability of a potential consumer to recognize or recall that the brand belongs to certain product category (Dyan, 2010). Creating a strong brand image in the consumer's mind depends on create an optimistic brand assessment, reachable brand approach, and a reliable brand representation (Farquhar, 1989). The importance of brand awareness in the mind of the customers can be evaluate at various stages e.g. recognition, recall, top of mind, brand dominance (they only call that particular brand), brand knowledge (what brand means to you) (Aaker D.,1996). Brand awareness is very important because if there will be no brand awareness no communication and no transaction will be occur (Percy,1987).

The more popular an application or website, the higher the consumer trust in the product offered. Researchers have shown that trust is key to interpersonal and commercial relationships (McKnight and Chervany, 2001). The consumer trust on a brand is defined as the willingness of a consumer to rely on a brand with all its risks, because they expect the product will give positive outcomes (Lau and Lee, 1999: 344). Digital products that have just established for no more than five years are considered as unpopular in people. This study aims to investigate the role of product knowledge, brand awareness and trust in the consumer's decision in using the original digital product of Pontianak City.

LITERATURE REVIEW

Product Knowledge

Product knowledge is defined as a consumer's awareness of specific information concerning a given product (Brucks, 1985). Primary sources of product knowledge include a consumer's experience with the actual product and advertising aimed at affecting a consumer's decision to select a product (Rao and Monroe, 1988). Product knowledge consistently ranks among the most important influences regarding consumer purchase behavior (Burton et al., 2009), and product value and purchase risk determinations can be made based upon such knowledge. Product knowledge has been measured in terms of both subjective and objective knowledge, which can sometimes be difficult to separate (Rao and Monroe, 1988).

Product knowledge is the various information of the product. This knowledge includes product category, product terminology, product attribute, product price and product trust. Peter & Olson (2010) in Nur Hidayat (2016) divided product knowledge into three categories, which are:

1. Product Attribute Knowledge

A consumer will consider a product based on its characteristic or attribute of the product. Product attribute is classified to physical attribute and abstract attribute. Physical attribute is the physical characteristics of the product while abstract attribute is the subjective characteristic of the product based on consumer's perceptions.

2. Product Benefit Knowledge

Benefits the consumer gets after using a product are functional benefit and psychosocial benefit. Functional benefit is the benefit consumer gets physiologically. As example, the using of mobile phones improves communication with others. Psychosocial benefit is the benefit consumer gets after consuming a product. As example, a consumer wears perfume to feel more confident.

3. Product Satisfaction Knowledge

It is the knowledge on product's value that may satisfy consumer's needs. The consumer has their own knowledge of personal and symbolic value that the product and the brand will give them satisfaction.

Brand awareness

Brand awareness is defined as the ability of a person, which is a potential buyer, to recognize or recall a brand as a part of product category (Aaker, 1991:61). To get brand awareness, both recognition and recall phase, two tasks are needed which are getting the Brand identity and relate it with the product category itself (Aaker, 1991:72). When the Brand is new, those both tasks need to be accomplished by the company, even when on some cases the product name of the Brand has described the product category. There are four indicators used to measure the consumer's awareness on a brand, which are (Kriyantono, 2006:26):

1. Recall, how far a consumer can recall the brands they remember.
2. Recognition, how far a consumer can recognize that the brand belongs to certain category
3. Purchase, how willing a consumer add that product as alternative option when purchasing a product/using a service
4. Consumption, how far a consumer remember a brand when using the competitor's product

Trust

According to McKnight, et. al (2002), trust is built among parties that have not known each other well both in interaction and transaction process. McKnight et. al (2002) stated that there are two dimensions of consumer's trust, which are:

1. Trusting belief

Is how far someone trust and believe in another person in a situation. Trusting belief is a perception of the trusting party (consumer) to trusted party (the online shop seller) in which the seller have tendency to benefit the consumer. McKnight et, al (2002) stated there are three elements that build trusting belief, which are benevolence, integrity, competence

2. Trusting intention

Trusting intention is the intended situation when a person is ready to rely on the other person in a situation. This situation happens personally and directly aimed at the other person. Trusting intention is based on cognitive belief of a person to another person. McKnight et, al (2002) stated that there are two elements that build the trusting intention, which are willingness to depend and subjective probability of depending.

Decision to Purchase

Kotler and Keller (2009:240) stated that, “Decision to purchase is when a costumer has an intention to purchase a brand they like the most.” Kotler and Armstrong (2012:176-178) described the decision process as follows:

1. Need recognition, a process when consumer recognizes an issue or needs. The marketers should identify a situation that urges certain needs by collecting information from some consumers.
2. Information search, a process when consumer is encouraged to find further information.
Consumer’s information sources are divided into 4 (four), which are:
 - a. Personal source, which are family, friends, neighbors, acquaintances
 - b. Commercial source, which are advertisements, salesperson, distributor, website, packaging, display
 - c. Public source, which are mass media, organization that determines consumer’s rank, internet searcg
 - d. Experience source, which are the management, review, and using of the product
3. Evaluation of alternatives, a process when consumer uses information to evaluate the decision making.
4. Purchase decision, a process when a consumer has preference on brands on evaluation phase.
5. Post purchase behavior, a process when consumer will get satisfaction or dissatisfaction on the purchase.

Based on the description above, the hypotheses of this research are as follows:

Hypothesis 1 (H1): Product knowledge has significant effect on the purchase decision

Hypothesis 2 (H2): Brand awareness has significant effect on the purchase decision

Hypothesis 3 (H3): Trust has significant effect on the purchase decision

RESEARCH METHOD

This is a quantitative research that aims to describe an empirical phenomenon with statistic data, characteristic, and relationship pattern between variables. Based on its characteristic, this research is classified as causal-comparative study, which is a research type with problem characteristic about causal relationship between two variables or more.

The objective of causal comparative study is to find out the basic answer about the causality and investigate the causal relationship. On this research, the dependent variable is the Purchase Decision (Y) is affected by independent variables which are Product Knowledge (X1), Brand Awareness (X2), and Trust (X3).

Populations of this research are the consumers that have used Angkuts, Tripy and Gurukite.com services. A total sample of 100 respondents were selected using purposive sampling with sample criteria as follows: respondent is 17 years old or older, recognizes and has used Angkuts, Tripy, and Gurukite.com services. The data processing technique used was double linier regression analysis.

STUDY FINDINGS AND DISCUSSION

Data distribution was done for 2 months through online plarform using social media such as Facebook and Whatssapp. Filled questionnaire were 120 questionnaires, and after they going through administrative checking, only 100 questionnaires could be processed. Respondents were the users of three digital services, which are 32 Angkuts users, 34 Tripy users, and 34 Gurukite.com users.

Validity test result showed that it was valid on all indicators, which ranged from 0.377 until 0.801. According to Sugiyono, if the correlation value is under 0.3, it can be concluded that the point of instrument is invalid so it needs to be corrected or eliminated.

Reliability test was processed using Cronbach Alpha, a test in which a data is reliable if significance level > 0.6 . The data processing result showed that all variables were reliable on X1 (0.736), X2 (0.787), X3 (0.759) and Y (0.776).

Coefficient determinant value (R^2) of Angkuts, Tripy and Gurukite.com were 0.752; 0.771 and 0.519, respectively. This finding explained that the ability of product knowledge (X1), brand awareness (X2), and trust (X3) variables in describing their effect on the purchasing decision is above 50%, while others are affected or described by other variables that were not included in this research model.

Table 4.1

Partial Test Results (t Test) of Angkuts, Tripy, and Gurukite.com

Angkuts	Beta	Sign	Hypothesis Notes
X1	0.401	0.007	H1 accepted
X2	0.686	0.001	H2 accepted
X3	-0.162	0.275	H3 rejected
Tripy	Beta	Sign	Hypothesis Notes
X1	-0.436	0.008	H1 accepted
X2	0.713	0.000	H2 accepted
X3	0.563	0.001	H3 rejected
Gurukite.com	Beta	Sign	Hypothesis Notes
X1	0.266	0.005	H1 accepted
X2	-0.353	0,017	H2 accepted
X3	0.360	0,037	H3 accepted

Source: processed data, 2018

MANAGERIAL IMPLICATION

Angkuts

Product Knowledge and Brand Awareness affect the purchasing decision/decision to use. Trust is negative and insignificant to the purchasing decision/ decision to use Angkuts in Pontianak City. This implication is based on the regression coefficient value of X3, which is -0.162 with significance value 0.275 which is above 0.05. Analyzed from its research setting, Angkuts is a garbage pickup service, so the consumer's purchase is the garbage service, in which the trust element is not really considered by the consumer. Consumer is more focused on the problem and solution of the household or company waste, which of course, is different in trust consideration when purchasing things online.

Tripy

Product Knowledge, Brand Awareness and Trust affect the purchasing decision/decision to use, but the Product Knowledge value was negative. This is because the Tripy respondents are dominated by males, about 62%. Tripy is a transportation service, and male costumers pay more attention to brand and trust without having to know or have detailed information on the product. For example, they only use Gojek apps for Go-food service without having to find out the overall Gojek product. This study finding supports the previous research by Setiawan and Soenhadji (2010) that stated that product knowledge has negative effect yet significant toward the purchasing decision/decision to use the product.

Gurukite.com

Product Knowledge, Brand Awareness and Trust affect the purchasing decision/decision to use, but the Brand Awareness value was negative. Analyzed by its research setting, Gurukite.com is a private teacher service, so this service prioritize product knowledge, in this case is the teacher (the person and their education background) and trust (is competent to teach and master the subjects) that makes brand awareness of Gurukite.com is not a main consideration. Whether the brand is popular or not is not an issue for Gurukite.com, as long as the teacher masters the subject well. This study supports the previous research by Najib, Soesanto and Sukresna (2016) who stated that brand awareness has negative effect yet significant toward the costumer's purchasing decision.

CONCLUSION

1. Product knowledge and brand awareness have positive effect and significant while trust does not affect the decision to use original digital product of Pontianak city.

2. Product knowledge, brand awareness and trust affect the decision to use original digital product of Pontianak city, but product knowledge value is negative.
3. Product knowledge, brand awareness and trust affect the decision to use original digital product of Pontianak city, but brand awareness value is negative.

Angkut, Tripy and Gurukite.com to improve the factors that can influence the decision to use the original digital products of Pontianak City.

Angkuts, Tripy and Gurukite.com can also innovate by producing other features that are more attractive according to community needs.

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