BRAND VISION AS THE MODERATOR VARIABLE FOR THE COMPANY CULTURE AND BRAND PERCEPTION

Santi Budiman*, Heru Kuncorowati**

Abstract

The first purpose of this research is to test empirically the culture influence on brand perception and the second is to test empirically the moderator impact of brand vision toward brand perception culture. The research method used to test the first purpose was Partial Regression and the second purpose with Moderated Regression Analysis. The used sample was as many as 226 manufacture company registered in Biro Pusat Statistik in 2010. This research purpose shows that the company cultures those are hierarchy culture, group culture, rational culture, and developmental culture influence positively and significantly brand perception. Meanwhile this research result also shows that the variable moderation of brand vision influences strongly the company culture on brand perception.

Keywords: Company Culture, Hierarchical Culture, Group Culture, Rational Culture, Developmental Culture, Brand Vision, Brand Perception

* Business and Economics Faculty, Isti Ekatana Upaweda Economics School, Indonesia, Jl. Hayam Wuruk No. 20 Yogyakarta 55212, HP.0816681169
** Business and Economics Faculty, Isti Ekatana Upaweda Economics School, Indonesia, Jl. Hayam Wuruk No. 20 Yogyakarta 55212, HP.08156892914

1 Introduction

Indonesia is a nation that consists of thousands of ethnic groups. These ethnic groups of course influence the ways and behaviors of the individuals of Indonesian society very much. Meanwhile, a business or company of course consists of people or individuals who are called employees. Employees come from the various ethnic groups, so they have different cultures; so finally the different brand perception will also be created (Foscht et al 2008). Every individual or employee in a company must have different background; this difference will create variety in the behavioral culture in that company. Of course this behavior will occur the company culture. This culture becomes very important in forming the business characters, in which include the culture creation as the company management hierarchy; but this culture characters’ formation becomes problem because of many employees with different ethnic groups (such as sunda, jawa, Madura, bali, padang, batak ethnic groups, etc.). On the other hand, those differences can be the special quality to compete of the company to create the unique and different characters from the other companies. One of them is the unique brand perception; the company can create the goods and services’ brands that are different from others. Of course this principle becomes stronger if the company’s brand vision is also inserted in that company’s culture. As what we know, the brand vision has an important role in creating and strengthening the brand perception of the company’s products (Hatch, 2003).

Based on the above background, the problem formulation proposed in this research can be concluded as follows:

a. Does Culture influence Brand Perception?
b. Does the moderation variable of Brand Vision strengthen the culture influence on Brand Perception?

2 Literature review

2.1 Previous theory

The Research Result Review shows that there is inconsistency between Culture and Brand Perception in the research result. That condition is obviously showed in table 1 Inconsistency of Research Result about Culture on Brand Perception.

The research results that state culture influences Brand Perception are the research results of Foscht et al. (2008); Lim and Aron (2001); Stéphane (2005); Meulenbroek et al. (2010); Scaramanga (2012); Hamann (2007); Yasin et al. (2007).

Meanwhile the research results that state culture does not influence Brand Perception are the research results of Srivastava (2011); Chernatony and Susan (2008).

Even there is statement that culture influences negatively Brand Perception by Arslan and Oylum (2010); Built et al. (2009).
Table 1. Inconsistency Results of Research: Culture on Brand Perception

<table>
<thead>
<tr>
<th>Conclusion</th>
<th>Researcher</th>
</tr>
</thead>
</table>
| Effect             | Foscht et al. (2008); Lim and Aron (2001); Stéphane (2005); Meulenbroek et al.  
                     (2010); Scaramanga (2012); Hamann (2007); Yasin et al. (2007). |
| No Effect          | Srivastava (2011); Chernatony and Susan (2008).                             |
| Negative Effect    | Arslan and Oylum (2010); Built et al. (2009).                              |

The inconsistency problem is shown in Table 1 that states there is still a chance to do this research to strengthen the culture theory on Brand Perception. The culture review on Brand Perception is caused by the inconsistency of the former research in which the researchers also have studied how far the review can strengthen theory by applying attribute to the variable indicator both for mediation and moderation, such as in Table 2 as follows:

Table 2. Mediation and Moderation on Culture and Brand Perception

<table>
<thead>
<tr>
<th>Researcher</th>
<th>Mediation/Moderation</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guo et al. (2011)</td>
<td>Brand Function</td>
<td>Significant, Weak</td>
</tr>
<tr>
<td>Wu et al. (2009)</td>
<td>Main of Brand Image</td>
<td>Significant</td>
</tr>
<tr>
<td>Wu et al. (2009)</td>
<td>Association of Brand and Product</td>
<td>Significant</td>
</tr>
<tr>
<td>Chanavat and Bodet (2009)</td>
<td>Customers’ Perception</td>
<td>Significant</td>
</tr>
<tr>
<td>Anchor (2009)</td>
<td>Income and Age</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Considering the research result in Table 2, apparently the research results are various, of course this research gap indicates that there is a chance in this research.

According to Hatch (2003) in his research, The Brand Vision Developmental will improve the products’ Brand Perception. The statement strengthens the researcher to put the indicator into mediation or moderator variable in this research.

2.2 Corporate Culture

Since the organization was found, conscious or not the founders have put the organization’s base. The organization culture represents the common perceptions of the company members. This condition is clearly formed if defined as a collective system. The relation of culture and organization culture is “organization culture is a belief and values that become the main philosophy held tightly by the organization members in operating the organization activities”.

Several definitions of organization culture or organization culture proposed by several experts as follows: McKenna and Beech (2000, p.18) defined that “Organization culture is the values, trust, attitude, and behaviors of the members.”

2.3 Brand Perception

The research of conventional market depends on the subjective consumers’ reports very much. It means the information for the marketers, advertisers, and producers who learn about the consumers is based on what are wanted by the consumers. Consumers make known what they think, feel, and do related with the brands. But consumers may not realize all what they think and feel of the brands. And commonly consumers are not absolutely honest of what they do (those are buying or the intention to buy) in its relation with the brands. It is fair to say that most reports about the consumers for the market research needs are closed enough with the realities or facts. But, as revealed by neuromarketing, attitudes and behaviors are not always firmly related with the humans’ minds. Several market research models have been developed to overcome the different ways that a consumer’s mind influences the brand affinity and the consumer’s buying decision.

2.4 Brand Vision

The brand vision or business is one of the most strong encouragement for growth. Having the vision of what
is wanted to achieve and where is wanted to get the message is very interesting either for the consumers, team, or each investor applicant.

As the company leader, the greatest challenge is not only determining vision by reflecting the brands (in the future), but also ensuring that each individual has the responsibility to give understanding and finally consumers buy. The company team who works full time has to have the full passion appreciation of what is wanted to achieve by the business strategies.

2.5 Hypothesis

The meant Company Cultures are Hierarchical Culture, Group Culture, Rational Culture, and Developmental Culture.

The Company Culture is very important in the process of company ideology formulation includes brand. The products’ brand becomes meaningful when the Company Culture supports the trust creation of the staff, even the consumers. Hierarchical Culture, Group Culture, Rational Culture, and Developmental Culture influence much the company performance (Noar, M. et al., 2008). So the hypotheses in this research are as follows:

Figure 1. The Conceptual Framework of the Research

H1: Hierarchical Culture influences positively Brand Perception
H2: Group Culture influences positively Brand Perception
H3: Rational Culture influences positively Brand Perception
H4: Developmental Culture influences positively Brand Perception

Company Culture is on Hierarchical Culture, Group Culture, Rational Culture, and Developmental Culture with Brand Vision as the moderation variable.

Brand Vision or business is one of the most strong encouragement for growth. This vision will strengthen Brand Perception attached to Company Culture. Vision will create the more unique products (Anonim, 2011). The Company Culture itself influences the Brand Perception. So the hypotheses in this research are as follows:

H5: Brand Vision will strengthen Hierarchical Culture on Brand Perception
H6: Brand Vision will strengthen Group Culture on Brand Perception
H7: Brand Vision will strengthen Rational Culture on Brand Perception
H8: Brand Vision will strengthen Developmental Culture on Brand Perception

3 Methodology

3.1 The Research Design

This research location was in the Province of Special Area of Yogyakarta. The Province of Special Area of Yogyakarta consisted of 4 regency and 1 municipality. Sample in this research was as many as 226 manufacture companies.

Research variables: Dependent Variable (Brand Perception) is adopted from Ing. W.S. and Chen, L.L. (2009) with nine (9) indicators. Moderation Variable (Brand Vision) is adopted from Rahimnia, F. et al. (2011), with nine (9) indicators. Independent Variable (Company Culture) is adopted from Noar, M. et al. (2008) with four (4) indicators. All variables use likert scale 7 points and reliability and validity testing, and the classic assumption in those variable indicators have been done before.

3.2 Statistical Analysis

The analysis tool used is Multiple Regression Analysis (MRA) to test hypothesis 1 until 4. In this research, test was done between dependent variable that is Brand Perception (BP) and four (4) Independent Variables those are Hierarchical Culture (HC), Group Culture (GC), Rational Culture (RC) and Developmental Culture (DC).

This complete model testing is as follows:

\[ BP = a + \beta_1\text{HC} + \beta_2\text{GC} + \beta_3\text{RC} + \beta_4\text{DC} + e \tag{3.1} \]
To answer hypothesis 2 until 8, this research testing uses Moderated Multiple Regression (MMR); testing with this method is done with 2 phases. First, interact Brand Vision with each independent variable. Second, regressed to the dependent variable that is Brand Perception. The testing of Brand Vision (BV) as the moderator of Company Culture influence on Brand Perception is modelled with the equation as follows:

\[ BP = a + \beta_1HC + \beta_2HC*BV + \epsilon_2 \]  
(3.2)

\[ BP = a + \beta_1GC + \beta_2GC*BV + \epsilon_3 \]  
(3.3)

\[ BP = a + \beta_1RC + \beta_2RC*BV + \epsilon_4 \]  
(3.4)

\[ BP = a + \beta_1DC + \beta_2DC*BV + \epsilon_5 \]  
(3.5)

### 4.1 Validity and reliability testings

The researchers use Corrected Item-Total Correlation and Cronbach’s Alpha if Item Deleted, in which it is said this indicator is valid if it is >0.5 (Peter Allen & Kellie Bennett, 204, 2010). Reliability testing done in this research is the analysis technique by using Alpha Cronbach indicator. A variable is reliable if the Internal Consistency has the lowest Cronbach Alpha coefficient 0.7 and between 0.6 and 0.7 are possible for exploratory (Hair et al., 2006). The reliability and validity testing results are in table 3.

Table 3. Validity testing  

<table>
<thead>
<tr>
<th></th>
<th>Scale Mean if Item Deleted</th>
<th>Scale Variance if Item Deleted</th>
<th>Corrected Item-Total Correlation</th>
<th>Cronbach’s Alpha if Item Deleted</th>
</tr>
</thead>
<tbody>
<tr>
<td>HC</td>
<td>23.3354</td>
<td>4.020</td>
<td>.572</td>
<td>.904</td>
</tr>
<tr>
<td>GC</td>
<td>23.2016</td>
<td>3.487</td>
<td>.848</td>
<td>.860</td>
</tr>
<tr>
<td>RC</td>
<td>23.2403</td>
<td>3.571</td>
<td>.828</td>
<td>.864</td>
</tr>
<tr>
<td>DC</td>
<td>23.2292</td>
<td>3.373</td>
<td>.838</td>
<td>.862</td>
</tr>
<tr>
<td>BP</td>
<td>22.1075</td>
<td>4.157</td>
<td>.653</td>
<td>.892</td>
</tr>
<tr>
<td>BV</td>
<td>22.0608</td>
<td>4.213</td>
<td>.642</td>
<td>.893</td>
</tr>
</tbody>
</table>

### 4.2 The testing of brand vision variable as the moderator variable

To know that Brand Vision (BV) is the environment variable that strengthens or weakens the other indicator or variable as the moderator variable, and also to know the right model to produce mathematics function, the testing of the variable type determination needs to be done, whether it is moderation, mediation, or just only independent variable.

Table 4. Determination Test Type of Brand Vision Variable

<table>
<thead>
<tr>
<th>Coefficients*</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>3.570</td>
<td>.213</td>
</tr>
<tr>
<td>HC</td>
<td>.109</td>
<td>.056</td>
</tr>
<tr>
<td>GC</td>
<td>.227</td>
<td>.105</td>
</tr>
<tr>
<td>RC</td>
<td>-.039</td>
<td>.103</td>
</tr>
<tr>
<td>DC</td>
<td>.132</td>
<td>.112</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Brand Vision

Based on Table 4, it is showed that if BV is the dependent variable, apparently it causes insignificance in variable HC that is differentiation (D) \( \beta=0.138; \ t=1.953; \ p>10.00 \). It indicates that BV is the moderated quasi moderated variable.
4.3 Summary of results

Table 5. Summary of results: testing hypotheses

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Model of Direct Effect</th>
<th>Moderation Model of Brand Vision</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>β</td>
<td>t</td>
</tr>
<tr>
<td>Hierarchical Culture (HC)</td>
<td>3.993</td>
<td>6.507</td>
</tr>
<tr>
<td>Group Culture (GC)</td>
<td>3.547</td>
<td>8.942</td>
</tr>
<tr>
<td>Rational Culture (RC)</td>
<td>3.751</td>
<td>7.986</td>
</tr>
<tr>
<td>Developmental Culture (DC)</td>
<td>3.810</td>
<td>8.670</td>
</tr>
<tr>
<td>HCxBV</td>
<td>0.721</td>
<td>15.591</td>
</tr>
<tr>
<td>GCxBV</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RCxBV</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DCxBV</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F test</td>
<td>22.515</td>
<td>243.007</td>
</tr>
<tr>
<td>R²</td>
<td>0.290</td>
<td>0.518</td>
</tr>
<tr>
<td>Adj R²</td>
<td>0.277</td>
<td>0.520</td>
</tr>
</tbody>
</table>

Variable Dependent = Brand Perception (BP)

***p < 0.01

4.3.1. The Influence of Hierarchical Culture (HC) Variable on Brand Perception (BP)

Variable Coefficient of Hierarchical Culture (HC) is β=3.993 (positive) and t-counting is significant 6.507 with the probability value p<0.01. It means that Hierarchical Culture (HC) variable influences positively and significantly Brand Perception (BP), so hypothesis that states Hierarchical Culture (HC) influences positively Brand Perception (BP) can be accepted.

4.3.2. The Influence of Group Culture (GC) Variable on Brand Perception (BP)

The variable coefficient of Group Culture (GC) is β = 3.547 (positive) and t-counting is significant 8.942 with the probability value p < 0.01. It means that Group Culture (GC) variable influences positively and significantly Brand Perception (BP), so the hypothesis that states Group Culture (GC) influences positively Brand Perception (BP) can be accepted.

4.3.3. The Influence of Rational Culture (RC) Variable on Brand Perception (BP)

Variable coefficient of Rational Culture (RC) is β = 3.751 (positive) and t-counting is significant 7.986 with the probability value p < 0.01. It means that Rational Culture (RC) variable influences positively and significantly Brand Perception (BP), so the hypothesis that states Rational Culture (RC) influences positively Brand Perception (BP) can be accepted.

4.3.4. The Influence of Developmental Culture (DC) Variable on Brand Perception (BP)

The variable coefficient of Developmental Culture (DC) is β = 3.810 (positive) and t-counting is significant 8.670 with the probability value p < 0.01. It means that Developmental Culture (DC) variable influences positively and significantly Brand Perception (BP), so hypothesis that states Developmental Culture (DC) influences positively Brand Perception (BP) can be accepted.

4.3.5. The Moderation Regression Results of Brand Vision (BV) and Hierarchical Culture (HC)

The interaction between the Hierarchical Culture (HC) and Brand Vision (BV) variables is Centering HC x BV that has β = 0.721 and t = 15.591 is in α = 1%; it means it supports H5, that is Brand Vision (BV) strengthens Hierarchical Culture (HC) influence on Brand Vision (BV).

4.3.6. The Moderation Regression Results of Brand Vision (BV) and Group Culture (GC)

The interaction between Group Culture (GC) and Brand Vision (BV) variables is Centering GC x BV that has β = 0.767 and t = 17.868 is in α = 1%; it means it supports H6, that is Brand Vision (BV) strengthens the influence of Group Culture (GC) on Brand Vision (BV).

4.3.7. The Moderation Regression Results of Brand Vision (BV) and Rational Culture (RC)
The interaction between Rational Culture (RC) and Brand Vision (BV) variables is Centering RC x BV that has $\beta = 0.755$ and $t = 15.207$ is in $\alpha = 1 \%$; it means it supports H7, that is Brand Vision (BV) strengthens the influence of Rational Culture (RC) on Brand Vision (BV).

4.3.8. The Moderation Regression Results of Brand Vision (BV) and Developmental Culture (DC)

The interaction between Developmental Culture (DC) and Brand Vision (BV) variables is Centering DC x BV that has $\beta = 0.750$ and $t = 16.986$ is in $\alpha = 1 \%$; it means it supports H8, that is Brand Vision (BV) strengthens the influence of Developmental Culture (DC) on Brand Vision (BV).

5 Conclusion and discussions

5.1 Conclusion

c. Hierarchical Culture (HC) influences positively Brand Perception (BP)

3. Group Culture (GC) influences positively Brand Perception (BP)

e. Rational Culture (RC) influences positively Brand Perception (BP)

f. Developmental Culture (DC) influences positively Brand Perce$$1 \%$$

g. Brand Vision (BV) strengthens the influence of Hierarchical Culture (HC) on Brand Perception (BP)

h. Brand Vision (BV) strengthens the influence of Group Culture (GC) on Brand Perception (BP)

i. Brand Vision (BV) strengthens the influence of Rational Culture (RC) on Brand Perception (BP)

j. Brand Vision (BV) strengthens the influence of Developmental Culture (DC) on Brand Perception (BP)

5.2 Discussions

5.2.1. Hierarchical Culture influences positively Brand Perception

This research result shows that Hierarchical Culture influences positively and significantly Brand Perception. The more the growth and positiveness of the Hierarchical Culture is, the more the growth of the Brand Perception is.

The Hierarchical Culture in a company is indeed and obliged to pour into company regulation. This regulation will be the guideline in doing an activity. The smallest activity also always and must refer to the higher importance and that is continuously done until the company mission or purpose is achieved. The company purpose whether in the short, medium, or long time will be influenced by this culture very much. This culture must always be done continuously because it will cause company’s regularity or discipline, finally forms culture. Brand Perception as the part of the company’s purpose also has to be done continuously, because directly this Hierarchical Culture will influence Brand Perception for consumers in medium and long time, remembering the Brand Perception will always be brought by products, prices, promotion especially services. It is important for all staff to understand what will be delivered to the consumers through this Brand Perception. Because it is so important, even this Brand Perception in the long time will create goodwill, because it is believed goodwill makes the marketing function more efficient.

Improving this hierarchy culture indeed must be clear and can be manifested for each staff individual. The main message conveyed by the experts and specialists in the company must also be paid attention, so finally the achievement process of Brand Perception for the staff and consumers will be faster.

5.2.2. Group Culture influences positively Brand Perception

This research result shows that group culture influences positively and significantly Brand Perception. The more advance and positive the group culture is, the more advance the Brand Perception is.

This Group Culture has important role in building staff’s prestation and work productivity, so direct the company to success. Job specialization becomes the acceleration spear point toward the company’s purpose includes Brand Perception. Inter-workers encouragement in a work team will be able to encourage significantly that group’s productivity. The inter-groups function is also important, makes the organization structure effective. Supervision will be able to give positive impact toward performance. The Brand Perception strengthening will also be stronger when specifically the brand description is translated in the company organization groups.

Building group culture or collaboration among the company sub structure in a main Company Group is very determined by policy aspect, procedure, system, performance, technology, efficiency, values, interaction, commitment, motivation, loyalty, perception, integrity, ethics, leadership, workers, and communication. If all aspects above can be fulfilled perfectly by the main organization of the highest until the lowest level, so the inter-individuals Group Culture in group can be implemented through the organization best practice to produce the whole optimal exertion of group performance.

5.2.3. Rational Culture influences positively Brand Perception

This research result shows that rational culture influences positively and significantly Brand Perception. The more advance and positive the
rational culture is, the more advance the Brand Perception is.

The information source of the company culture that is not less important is the rational culture. Financial system becomes one of the workers’ zest encouragement to achieve the company purpose. The incentive system that is performed well and continuously will create the positive culture for the company itself and the workers inside. Of course this contribution will be different among others, depends on the workers’ position and company financial condition very much, but it is very important contribution.

5.2.4. Developmental Culture influences positively Brand Perception

This research result shows that Developmental Culture influences positively and significantly Brand Perception. The more advance and positive the Developmental Culture is, the more advance the Brand Perception is.

Research and company internal development that is continuous becomes important to create Company Culture. The competitors’ anticipation toward the new products and their differentiation will be easier to do if research and development are done well. Even the company is not always in follower position, but gradually becomes the leader. Technology also strengthens this culture.

5.3. Discussion of Research Results of Moderation Influence Model

5.3.1 Brand Vision strengthens the influence of Hierarchy Culture on Brand Perception

This research result shows that Brand Vision strengthens hierarchy culture and significant on Brand Perception. The more advance the Company Brand Vision is, the stronger the Hierarchical Culture is, finally the more advance the Brand Perception is.

Every position in organization structure or company will be more understood by each company individual if the organization vision can also be understood by that individual. Of course this understanding must be easy, clear, concise, remembering the job performed everyday is collaborated with the vision. The future orientation and clear direction in the vision will be able to create conducive situation and motivation for this Hierarchical Culture.

5.3.2 Brand Vision strengthens the influence of Group Culture on Brand Perception

This research result shows that Brand Vision strengthens Group Culture and significance on Brand Perception. The more advance the company’s Brand Vision is, the stronger the Group Culture is, finally the more advance the Brand Perception is.

Brand vision will be stronger when entering and understood in the group scale or sub structure even the smaller company division. This understanding is admitted to be more effective, because in the smaller group level, fewer personnel in the group are easier in manifesting this Brand Vision. The supervision role is also not less important; knowledge, belief, and motivation from supervisor will accelerate and strengthen this Group Culture process in the Brand Perception.

5.3.3 Brand Vision strengthens the influence of Rational Culture on Brand Perception

This research result shows that the Brand Vision strengthens the Rational Culture and significance on the Brand Perception. The more advance the company Brand Vision is, the stronger the Rational Culture is, finally the more advance the Brand Perception is.

The Rational Culture is also helped very much by the leader and individual’s ability in the company. The Brand Vision will be easier to apply to the company’s leader or individual if has enough knowledge and experience that finally will strengthen the Brand Perception in the company. The higher the Rational Culture that is collaborated with the Brand Vision is, of course will create the higher Brand Perception; the higher the Brand Perception is, hopefully the higher the marketing is; finally will also create the incentive system that is on the company’s individual side.

5.3.4 Brand Vision strengthens the influence of Developmental Culture on Brand Perception

This research result shows that Brand Vision strengthens Developmental culture and significance on Brand Perception. The more advance the Company’s Brand Vision is, the stronger the Developmental Culture is, finally the more advance the Brand Perception is.

The Continuous Developmental Culture that interacts with the Brand Vision will direct the company to help and act to fulfill the company’s purposes. The Brand Perception as the part of the company’s purposes will influence more when the products and Company’s Brand Vision comes to the company’s individual even to the final consumers.

References


