



BOOK OF ABSTRACT **PIBACC**

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**BOOK OF ABSTRACT OF THE 1ST PETRA
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Theme:

Sustainability and Business Agility for Circular Economy

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BOOK OF ABSTRACTS OF THE 1ST PETRA INTERNATIONAL BUSINESS AND ACCOUNTING CONFERENCE (EXTENDED ABSTRACT)

“Sustainability and Business Agility for Circular Economy”

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Foreword

Welcome to the Book of Abstracts of PIBACC 2023, a documentation showcasing important ideas and findings explored in the conference themed "Sustainability and Business Agility for Sustainable Economy." This theme highlights a crucial intersection between sustainability and business agility, underscoring the significance of adapting to sustainable economic models.

Throughout the PIBACC 2023 process, experts, academics, and practitioners have explored effective ways to integrate sustainability principles into business operations, emphasizing a sustainable economic approach. This involves efforts to minimize waste, maximize resource efficiency, and strengthen long-term environmental and economic health.

This book of abstracts reflects the diversity of research and approaches discussed at PIBACC 2023, featuring real-world case studies illustrating how various sectors have successfully embraced business flexibility to thrive within the paradigm of sustainable economics. We hope that the documentation's outcomes will serve as a source of inspiration and guidance for readers to navigate the complexities of sustainable economic challenges.

We would like to express our gratitude to all researchers who have contributed to shaping the knowledge and practices of sustainable business. May the Book of Abstracts of PIBACC 2023 serve as a valuable tool for those interested in delving into sustainability issues and diversity within sustainable economics.

Best regards,

Saarce Elsy Hatane, S.E., MBA., CA., AK., CMA

General Chair of PIBACC 2023

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Ruth Srininta Tarigan

AS THE RESEARCHER OF

"Sustainable Marketing: Evaluating The Impact Of Product VS Country Image And Hedonic VS Utilitarian Message On Brand Attitude"

on Petra International Business and Accounting Conference held by
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SUSTAINABLE MARKETING : EVALUATING THE IMPACT OF PRODUCT VS COUNTRY IMAGE AND HEDONIC VS UTILITARIAN MESSAGE ON BRAND ATTITUDE

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ABSTRACT

This study aims to analyze the most effective strategy to obtain the most favorable brand attitude when promoting a brand. It examines the effectiveness of product or country image, as well as hedonistic and utilitarian message towards the brand attitude of a product. This study also includes the moderating effect of brand sustainability to observe the effect of a good or bad sustainability image towards the brand attitude of a product. This study uses an experimental approach using a fictitious Swiss chocolate brand with either a hedonistic or utilitarian focused message, followed by a display of a country or product image, as well as a sustainability report using the Chocolate Scorecard as a template. The participants are then given a set of four bipolar items before and after the sustainability report in order to rate the brand attitude of the product. The results show a non-significant relationship between hedonistic and utilitarian message towards brand attitude, while it shows a significant relationship between country and product image towards brand attitude. The results also show that a sustainable label shows similar positive impact towards brand attitude, while a non-sustainable label has a more adverse impact on product image compared to country image.

Keywords: Brand Image, Message Framing, Marketing Strategy, Sustainability Marketing

INTRODUCTION

In previous studies, the strategy of advertising using country image or product image can be effective in showing a favorable consumer response (Septianto, Japutra, Sung, & Seo, 2022). However, according to Holbrook and Hirschman, hedonic-utilitarian perspective is also very important in classifying consumers' perception of a product (Holbrook & Hirschman, 1982). Due to globalization, this topic has become very important in terms of marketing for companies. Not only that, but companies need to also take into account the sustainability of their brand as 81% of global consumers feel that companies should be more sustainable ("Global Consumers Seek Companies That Care about Environmental Issues," 2018). This leads the researchers to the topic of the research which is sustainable marketing. This research was also inspired by Septianto's 2022 research of "The interaction effect of country-of-origin positioning and cultural distance on international advertising effectiveness: a construal level perspective."

In this research, the researchers have chosen chocolate as the brand topic. This is due to the recent phenomenon of Toblerone which switched from country to product image and the fact that chocolate can be categorized as both hedonic or utilitarian products (Gross, 2023). It also happens that a survey on the sustainability of chocolate brands has gained popularity to be published even in Times Magazine in April 2023 (Baker, 2023). Hence, all these factors combined make chocolate a great research topic for this research.

Through his previous research, the researchers strive to answer four important questions. Firstly, does country image / product image affect brand attitude in a positive way? Secondly, does hedonistic framing / utilitarian framing purpose affect brand attitude in a positive way? The third question to answer will be, does brand sustainability affect the influence of country (vs product) image on brand attitude? Last, but not least, does brand sustainability affect the influence of hedonistic (vs utilitarian) framing on brand attitude?

The questions mentioned beforehand lead to the design of this research. The researchers will research the underlying theories behind the important variables from previous research, create the framework and explain hypotheses of the research. Then the researchers will explain the methodology of the research and finally conduct the experimental research, then comes the analysis of the data. Afterwards, the researchers will summarize the meaning behind the data in the discussion section and thus conclude this research with how future researchers can further build upon the research.

LITERATURE REVIEW

Country Image and Product Image

Country image refers to the overall mental evaluations of a country and its people, while taking into account the macro aspects of the country (Kock, Josiassen, & Assaf, 2019; Wang, Li, Barnes, & Ahn, 2012). Product image refers to the overall impression consumers have of the product's attributes (Parameswaran & Pisharodi, 1994; Wang, Li, Barnes, & Ahn, 2012). According to Kim, Chun, and Ko (2017), country image can influence the purchase intention of a customer, while according to Mandler, Bartsch, and Han (2021), product image can influence brand credibility. Both of these research shows that country and product image are effective in influencing customer response (Septianto, Japutra, Sung, & Seo, 2022). In this research, the respondents will be exposed to either country or product image by the use of an image that emphasizes an image of a country or a product.

Hedonistic and Utilitarian Message

Hedonism refers to a way of thinking that is focused more on a pleasurable experience to the customers' emotion (Amatulli, De Angelis, & Donato, 2020; Veenhoven, 2003). Utilitarianism refers to a way of thinking that is used mainly for their functions, practicability, and goals (Voss, Spangenberg, & Grohmann, 2003; Scarpi, 2021). According to Batra & Ahtola (1991), consumer responses towards hedonistic products weigh more towards the sensorial and experiential properties, while for utilitarian products are judged from their maximization of utility and the expectation of consequences. In this research, the researchers will manipulate the respondents by the use of hedonistic or utilitarian messages in order to influence their way of thinking in order to observe the changes in brand attitude.

The Moderating Effect of Brand Sustainability

Brand sustainability in this research is referred to as the environmental and social value that the company can build for their brand to ensure that it possesses limitless growth in the future (Moslehpour, Chau, Dadvari, Do, & Seitz, 2019; Schultz & Block, 2015). In this research, the researchers will use the Chocolate Scorecard which was created by the organization "Be Slavery Free", and it is aimed to evaluate the brand sustainability of chocolate companies all around the world ("The Chocolate Scorecard," n.d.; "Be Slavery Free," n.d.).

Previous research by (Marin & Ruiz, 2007), have shown that there is a direct and indirect effect of brand sustainability on the brand attitude of consumers, while directly being the company's identity, while indirect refers to the attractiveness of the company's identity. This shows that brand sustainability may affect the strength of influence of country image and product image in their response towards brand attitude. From previous research by Luchs, sustainability can appeal more towards products related with "gentleness" or hedonic product properties, and it may affect negatively towards products that relate with "strength" or utilitarian product properties (Luchs, Naylor, Irwin, & Raghunathan, 2010). Therefore brand sustainability will act as a moderator for country and

product image towards brand attitude, as well as a moderator for hedonistic and utilitarian message on brand attitude.

Consumer Response: Brand Attitude

In this research, the researchers will measure the consumer response using brand attitude similar to a previous research by Septianto (Septianto, Japutra, Sung, & Seo, 2022). Brand attitude is defined as the consumer's global perception of the brand, which is influenced by their beliefs and feelings about the characteristics and benefits of the brand (Quezado, Fortes, & Cavalcante, 2022; Rajumesh, 2014).

Theoretical Framework

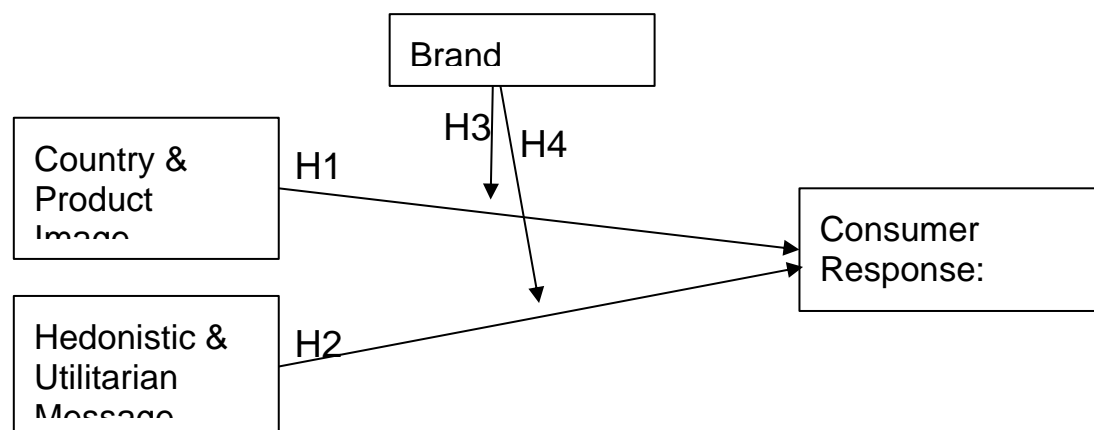


Figure 1. Theoretical Framework

H1: Country (vs product) image will lead to a more favorable brand attitude.

H2: Hedonistic (vs utilitarian) product will lead to a more favorable brand attitude.

H3: Brand sustainability will moderate the interaction effect between Country and product image towards brand attitude.

H4: Brand sustainability will moderate the interaction effect between Hedonistic and Utilitarian products towards brand attitude.

METHODOLOGY

The research method for this research is using self-administered questionnaires where the researchers will use Populix as a method to gather participants to answer the questionnaires. Here they will do the questionnaire with no interference from the researchers and will only focus on the prompt given in the questionnaire. This research is using experimental design, in experimental design, the researcher actively manipulates the independent variables and subsequently observes the resulting impact on a dependent variable (Watson, 2015).

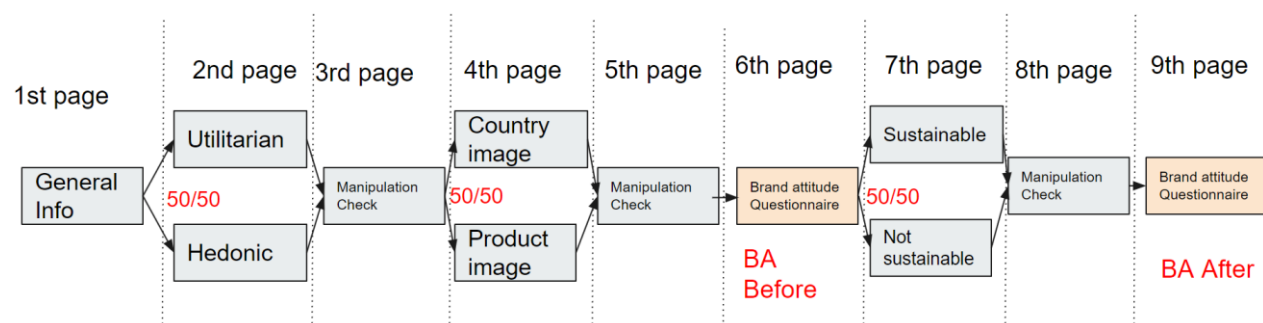


Figure 2. Survey Flowchart

From Figure 2, the order in which the questions of the questionnaire are given to the respondents can be seen. The respondents will go through two manipulation checks based on the message and image they are given and then be required to rate their attitude towards the fictitious chocolate brand. Similarly, they will go through another manipulation check in regards to the brand's sustainability and be asked about their attitude once more. The results from their attitude towards the brand (the dependent variable) will be used when performing the regression analysis.

In regards to the brand attitude (aka consumer responses), the researchers have used 4 bipolar items and measured them using a 7 point Likert scale. This is the method that the data processed by researchers from Septianto, F., Japutra, A., Sung, B., & Seo, Y. (2022) have used.

Data Analysis Technique

Validity and Reliability

In order to ensure that the data are valid and reliable, the researchers will test the validity using item-test correlation using Stata, where a higher coefficient shows a stronger correlation, thus making it more reliable (Williams, 2015). The researchers will test the reliability using Cronbach's Alpha to test for consistency between the data, where a value between 0.6 to 0.7 are acceptable, and 0.7 to 0.9 are satisfactory (Hair, 2017).

Data Processing

In this research, the researchers will use multiple linear regression to model the data obtained from the experimental study. According to Hünernmund & Louw (2022), it is important to include control variables in order to prevent *backdoor paths* from the non-causal relationship between variables. The researchers will do a bivariate analysis with two sample t-test and chi-square test in order to be able to obtain the control variables. Two sample t-tests are used to analyze the differences between two sets of continuous variables, while chi-square test is used to compare the association between two categorical variables (Waller, 2012).

The researchers will also address the 5 main assumptions in multiple linear regression which are linearity, independence, homoscedasticity, normality of residuals, and no multicollinearity between the independent variables (Tranmer, Murphy, Elliot, & Pampaka, 2020). In addition, the researchers will also do interaction testing in multiple linear regression in order to check for the moderating effect of brand sustainability for each of the independent variables. The results will be modeled using marginsplot in Stata in order to better visualize the results obtained.

ANALYSIS AND DISCUSSION

Bivariate Analysis

Table 1. Bivariate Analysis Table

	Non-Sustainable	Sustainable	Total	Test
Number of Observations	118 (49.2%)	122 (50.8%)	240 (100.0%)	
Average age (xxxx)	26.432 (6.468)	24.738 (6.728)	25.571 (6.642)	0.048
1=Utilitarian, 0=Hedonic				
Hedonistic	58 (49.2%)	62 (50.8%)	120 (50.0%)	0.796
Utilitarian	60 (50.8%)	60 (49.2%)	120 (50.0%)	
1=Product, 0=Country Image				
Country Image	58 (49.2%)	61 (50.0%)	119 (49.6%)	0.896

Product Image	60 (50.8%)	61 (50.0%)	121 (50.4%)	
Consumer Response (CR) a (before sustainability exposure)				
CR1a. good	4.822 (1.477)	5.213 (1.046)	5.021 (1.289)	0.018
CR2a. positive	4.814 (1.450)	5.361 (1.121)	5.092 (1.319)	0.001
CR3a. like	4.864 (1.383)	5.361 (1.037)	5.117 (1.242)	0.002
CR4a. pleased	4.924 (1.421)	5.484 (1.152)	5.208 (1.319)	<0.001
Consumer Response (CR) b (after sustainability exposure)				
CR1b. good	3.542 (1.489)	5.664 (1.080)	4.621 (1.675)	<0.001
CR2b. positive	3.627 (1.595)	5.705 (1.018)	4.683 (1.689)	<0.001
CR3b. like	3.712 (1.548)	5.672 (1.008)	4.708 (1.628)	<0.001
CR4b. pleased	3.686 (1.668)	5.828 (1.058)	4.775 (1.755)	<0.001
CR_wo_sustainability	19.424 (5.358)	21.418 (3.891)	20.438 (4.766)	0.001
CR_w_sustainability	14.568 (6.067)	22.869 (3.820)	18.788 (6.535)	<0.001
CR_delta	-4.856 (6.896)	1.451 (2.613)	-1.650 (6.060)	<0.001

By using t-test and chi-square test, the researchers observed that age, geographical location, socioeconomic status and marital status are potential confounders. These confounders may affect the results of the data, therefore controlling the variables are needed. In this data, age may also correlate with marital status, therefore in this research, marital status is omitted to prevent multicollinearity. Therefore the control variables used in this research are age, geographical location, and socioeconomic status.

In addition, when looking at the data for CR_delta, we can also obtain valuable information. CR_delta represents the difference between “total of consumer responses after being exposed to sustainability factor” and “total of consumer responses before being exposed to sustainability factor”. From this data, we can observe that consumer responses generally decrease by around 4.856 when exposed to a non-sustainable label, while consumer responses generally increase by 1.451 after being exposed to a sustainable label.

Validity and Reliability

Table 2. Validity and Reliability Table

	Item	Item-test correlation	Cronbach's Alpha
Before Sustainability Label	CR1a.good	0.908	0.941
	CR2a.positive	0.936	
	CR3a.like	0.926	
	CR4a.pleased	0.919	
After Sustainability Label	CR1b.good	0.970	0.978
	CR2b.positive	0.972	
	CR3b.like	0.970	
	CR4b.pleased	0.970	
Delta Sustainability Label	delta_CR1	0.937	0.950
	delta_CR2	0.936	
	delta_CR3	0.925	
	delta_CR4	0.936	

The high value of item-test correlation and cronbach alpha value being above 0.9 shows that it is above satisfactory, therefore the data is both valid and reliable.

Regression Analysis

Table 3. Regression of the model results

	Model (1) Consumer Response Without Sustainability Factor	Model (2) Consumer Response (delta) With Sustainability Factor	
1 = Utilitarian Message 0 = Hedonic Message	-0.750 (0.576)	1.133 (1.237)	Not Significant Relationship
1 = Product Image 0 = Country Image	3.143** (0.588)	-3.037* (1.219)	Significant Relationship
1 = Sustainable 0 = Non-Sustainable		5.160** (1.089)	
Age	-0.0441 (0.0495)	0.0201 (0.0469)	Control Variables
Geographical Location	0 (.)	0 (.)	
1 = Java-Bali 0 = Outside Java-Bali	0.175 (0.643)	-1.478* (0.663)	
Socioeconomic Status Lower 1	0 (.)	0 (.)	
Lower 2	-2.023 (1.529)	-2.425** (0.623)	
Middle 1	1.020 (0.809)	-2.840** (0.937)	
Middle 2	1.341+ (0.782)	-1.105 (0.884)	
Upper 1	-0.898 (1.191)	-0.691 (0.930)	
Upper 2	0.462 (1.019)	-1.813 (1.212)	
Utilitarian # Sustainable		-1.361 (1.309)	Not Significant Relationship
Product # Sustainable		2.568+ (1.333)	Interaction exist at 10% significance
Constant	19.74** (1.459)	-1.804 (1.910)	
Observations	240	240	
Adjusted R-squared	0.164	0.311	
Standard errors in parentheses			
+ p<0.10	* p<0.05	** p<0.01	

From table 3, we can observe that the utilitarian and hedonic messages from both models are not statistically significant, therefore the researchers will reject the hypothesis for H2a and H2b as they are related with utilitarian and hedonic messages.

Model (1) represents the effect of Utilitarian/Hedonistic message, Product/Country image, and the control variables towards Brand attitude. This model is run without the Brand sustainability moderating effect. Without the moderating effect of brand sustainability, the regression shows a more favorable consumer response for products that utilizes product image by 3.143 points compared to those that uses country image. Therefore, H1 is rejected as product image will lead to a more favorable brand attitude compared to country image.

Model (2) is similar to Model (1), however it compares the moderating effect of brand sustainability for before and after the data has been exposed to the sustainability label. Model (2) also includes the variable *utilitarian#sustainable* and *product#sustainable*, which are used to test whether the moderating effect of brand sustainability is present. Here the variable *utilitarian#sustainable* is not statistically significant, therefore there is no moderating effect for utilitarian and hedonistic messages by brand sustainability, therefore H4 is rejected. *Product#sustainable* is statistically significant at 10% confidence level, therefore moderating effect by brand sustainability is present, therefore H3 is accepted.

Marginsplot

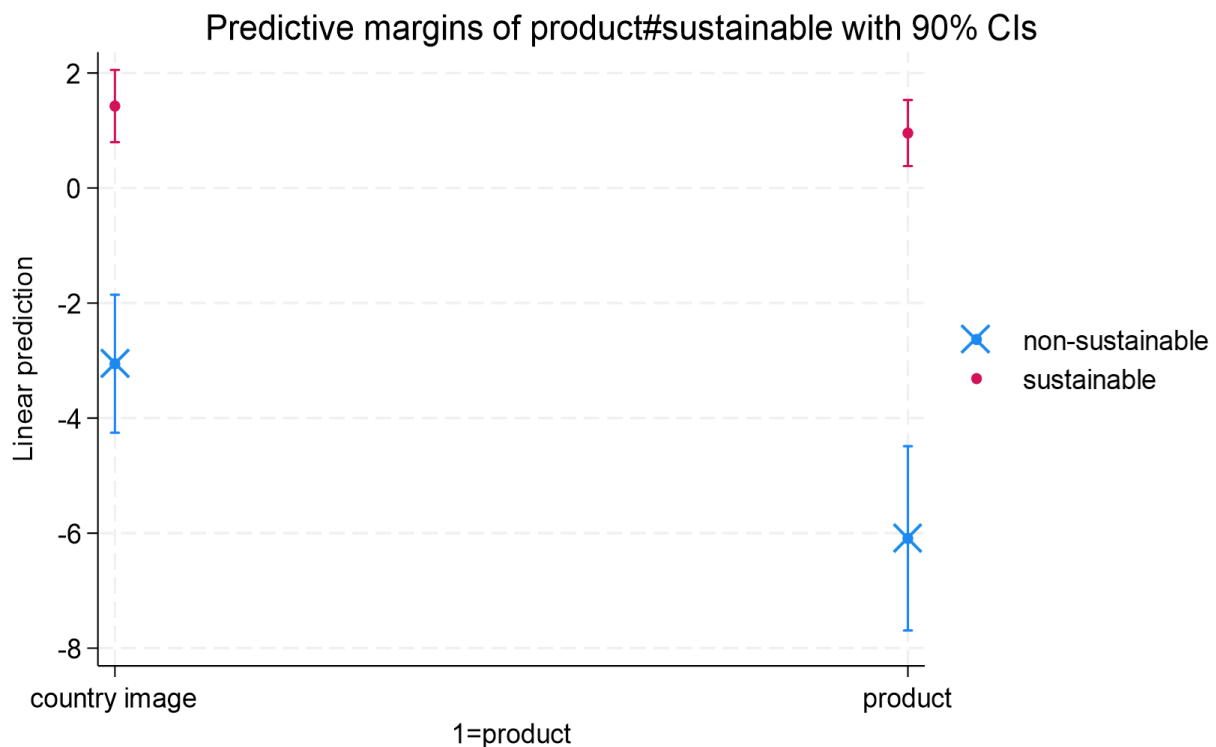


Figure 3. Marginsplot of Model (2)

Seeing from the marginsplot in Figure 3, when exposed to the sustainable label, the consumer response increases by a margin of 0.38 to 1.53 points for product image, while it increases by 0.80 to 2.05 points for country image. There are no other notable insights gained as both country and product image increase the consumer response by a similar amount.

However, when exposed to a non-sustainable label, there is a significant difference in the amount for country image vs product image. When exposed to a non-sustainable label, the country image decreased by a margin of -4.25 to -1.85, while it decreased by -7.69 to -4.49 for product image. There is a significant difference between the values of country image and product image when exposed to a non-sustainable label. When exposed to a non-sustainable label, product image dropped to a greater extent compared to country image.

DISCUSSION

The result of the researchers' pilot and experimental study shows that neither hedonistic nor utilitarian message has a significant effect on brand attitude whereas product (vs country) image leads to a more favorable response in brand attitude. However, when a sustainability label is introduced for the brand, country (vs product) image leads to a more favorable response in brand attitude. These results are proven by statistical evidence in the context of a fictitious Swiss chocolate brand in Indonesia with brand attitude as the dependent variable.

This research offers various theoretical contributions. To begin with, our study enhances the field of international marketing by investigating the comparative efficacy of country image and product image as well as hedonistic and utilitarian message in the promotion of products within the international market.

Previous studies have shown that country and product image can lead to a more favorable response among consumers (Septianto, Japutra, Sung, & Seo, 2022). Moreover, the hedonic-utilitarian perspective has played a crucial role in categorizing a consumers' perception of a product (Holbrook & Hirschman, 1982). The current research is adding a greater understanding with regards to how sustainability plays a role in moderating the effects of country/product image and hedonistic/utilitarian message on brand attitude. The researchers have shown that by introducing a sustainability label on a brand, the effects of country/product image as well as hedonistic/utilitarian message is greatly affected. The most interesting part to note is that previously without a sustainability label introduced to the respondents, those who received product image responded 3.143 points higher on average than those who received country image. However, this changed when a sustainability label was introduced to these respondents. Those who received non-sustainable sustainability labels with product image responded much more negatively than those who received non-sustainable sustainability label with country image. This is interesting as the brand attitude of those respondents who receive product image changed drastically, more so than country image. The researchers have also provided statistical evidence which proves the moderating role of brand sustainability between the independent variables country/product image towards brand attitude.

Managerial implications. There are a few implications that are of significant importance for marketers of a food and beverage brand. There is a need for marketers to know beforehand which measures to take. If the government decides to make it mandatory to put sustainability labels on food and beverage products. This is especially important if their product is non-sustainable. Based on this research, the researchers recommend those brands to use country image instead of product image to lessen the negative impact the non-sustainable sustainability label has on the consumers' brand attitude.

CONCLUSIONS AND RECOMMENDATIONS

The researchers concluded from this research that both hedonistic or utilitarian message effect on brand attitude is not statistically significant, while the placement of country or product image does have a statistically significant effect on brand attitude. When brand sustainability is introduced, there is a significant change in the brand attitude from the respondents. The researchers conclude that if a non-sustainable sustainability label must be placed on a product, then it is better to use country image rather than product image to market the brand in order to get a less negative brand attitude from the consumers. Unfortunately, there are limitations to this research. The first being the focus of the research is a fictitious chocolate brand, a food and beverage product, similar to Septianto's research using cheese and wine, a different type of product might lead to different results. For further research, researchers could use non-food and beverage brands. The second limitation is that the researchers only used respondents from Indonesia, the researchers recommend future research to

use a bigger pool of participants from different countries as it could reduce the possibility of bias from the responses.

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