







“The influence of co-branding strategies on repurchase intention: Empirical evidence on cosmetics and herbal medicine collaboration product in Indonesia”

AUTHORS	Robertus Basiya  Marlien Marlien  Kasmari Kasmari  Bambang Sutejo  Bambang Sudiyatno 
ARTICLE INFO	Robertus Basiya, Marlien Marlien, Kasmari Kasmari, Bambang Sutejo and Bambang Sudiyatno (2024). The influence of co-branding strategies on repurchase intention: Empirical evidence on cosmetics and herbal medicine collaboration product in Indonesia. <i>Innovative Marketing</i> , 20(2), 89-99. doi: 10.21511/im.20(2).2024.08
DOI	http://dx.doi.org/10.21511/im.20(2).2024.08
RELEASED ON	Wednesday, 17 April 2024
RECEIVED ON	Tuesday, 15 August 2023
ACCEPTED ON	Wednesday, 03 April 2024
LICENSE	 This work is licensed under a Creative Commons Attribution 4.0 International License
JOURNAL	"Innovative Marketing "
ISSN PRINT	1814-2427
ISSN ONLINE	1816-6326
PUBLISHER	LLC “Consulting Publishing Company “Business Perspectives”
FOUNDER	LLC “Consulting Publishing Company “Business Perspectives”



NUMBER OF REFERENCES

46



NUMBER OF FIGURES

1



NUMBER OF TABLES

13

© The author(s) 2024. This publication is an open access article.



BUSINESS PERSPECTIVES



LLC "CPC "Business Perspectives"
Hryhorii Skovoroda lane, 10,
Sumy, 40022, Ukraine
www.businessperspectives.org

Received on: 15th of August, 2023
Accepted on: 3rd of April, 2024
Published on: 17th of April, 2024

© Robertus Basiya, Marlien Marlien,
Kasmari Kasmari, Bambang Sutejo,
Bambang Sudiyatno, 2024

Robertus Basiya, Associate Professor,
Department of Management, University
of Stikubank Semarang, Indonesia.
(Corresponding author)

Marlien Marlien, Associate Professor,
Department of Management, University
of Stikubank Semarang, Indonesia.

Kasmari Kasmari, Master, Senior
Lecturer, Department of Management,
University of Stikubank Semarang,
Indonesia.

Bambang Sutejo, Master, Senior
Lecturer, Department of Management,
University of Stikubank Semarang,
Indonesia.

Bambang Sudiyatno, Associate
Professor, Department of Management,
University of Stikubank Semarang,
Indonesia.



This is an Open Access article,
distributed under the terms of the
[Creative Commons Attribution 4.0
International license](https://creativecommons.org/licenses/by/4.0/), which permits
unrestricted re-use, distribution, and
reproduction in any medium, provided
the original work is properly cited.



Conflict of interest statement:
Author(s) reported no conflict of interest

Robertus Basiya (Indonesia), **Marlien Marlien** (Indonesia), **Kasmari Kasmari** (Indonesia),
Bambang Sutejo (Indonesia), **Bambang Sudiyatno** (Indonesia)

THE INFLUENCE OF CO-BRANDING STRATEGIES ON REPURCHASE INTENTION: EMPIRICAL EVIDENCE ON COSMETICS AND HERBAL MEDICINE COLLABORATION PRODUCT IN INDONESIA

Abstract

During collaboration strategies, companies combine two or more products with different characteristics. This strategy is interesting to research because it is an out-of-the-box strategy. In general, brand partnerships usually occur between companies with similar values, missions, and consumer target markets. This study aims to examine the effect of co-branding and promotions on customer-based brand equity and repurchase intentions with customer-based brand equity as a mediator. This paper used a quantitative approach. Data collection was carried out through online surveys distributed among 115 buyers of a collaborative product of Upmost Beauté cosmetic item and Tolak Angin herbal medicinal item in the city of Semarang, Central Java Province, Indonesia. Data analysis used regression tests and Sobel tests with SPSS 24.0 software. The research results found empirical evidence that co-branding and promotions increase customer-based brand equity, and customer-based brand equity increases repurchase intentions. These results also reveal the mediating role of customer-based brand equity in contributing to increased repurchase intentions. Co-branding and promotional strategies increase repurchase intentions through customer-based brand equity. Companies should focus on co-branding strategies, promotions, and customer-based brand equity to attract more consumers to repurchase Upmost Beauté and Tolak Angin collaboration product.

Keywords

strategic alliance, customer, service, purchase, product, out-of-the-box, competitive advantage, Indonesia

JEL Classification

M30, M31, M37

INTRODUCTION

Co-branding is a marketing tactic that forms a strategic partnership by combining brands of different goods or services. One of the growing techniques marketers and strategists use is reinforcing positive image of one brand on another brand (Warraich et al., 2014). With a distinctive logo and color scheme to accentuate brand identification and achieve a win-win for all parties, each brand in the strategic alliance contributes its identity to build a united brand. The co-branding strategy creates new products or services that provide special value, which in turn can create and strengthen customer loyalty. It has the power to expand a company's market share, attract new customers, revitalize brand image, and advance technological advancements within the organization. In addition to minimizing costs, it reduces the risks associated with brand extensions.

Considering intense competition in the beauty industry, Indonesian producers have introduced a unique strategy of the collaboration be-

tween well-known herbal and cosmetic products. The two companies have different market segments. The collaboration of cosmetic company PT. Nose Herbalindo, with the Upmost Beauté brand, and a well-known herbal medicine company in Indonesia, PT. Jamu Sido Muncul, with the Tolak Angin brand, is developing in Indonesia. These companies combine their superior product brands; both products are sold in one package.

The co-branding carried out by the two companies did not produce a new product, but the packaging brought together the same color, yellow, which is the hallmark of Tolak Angin. The co-branding of Upmost Beauté and Tolak Angin was successful in raising awareness and perceived quality. The public welcomed this innovative strategy; this condition shows that consumers have a positive perception of both brands. Brands that have a positive perception are said to have customer-based brand equity. This means that customers react more positively to a product, price, or communication when the brand is identified. A brand has a high customer-based brand equity if customers are more likely to respond favorably to a product, pricing, or message when the brand is mentioned than when a non-branded product is mentioned.

The advantages and disadvantages of co-branding point to possible advantages of launching a new product in a well-established market. This might be an effective marketing tool for both businesses if they can provide succinct messaging to specific customers. However, when consumers are unsure about product attributes, companies can use brands to emphasize their credibility. Brands can make it easier for consumers to determine the choice of products to buy. Thus, co-branding and intensive consumer promotions will drive consumers to increase their intention to repurchase specific products.

1. LITERATURE REVIEW

Repurchase intention is a factor that encourages individuals to buy certain products. This intention arises if consumers feel that the product they buy provides benefits that match their wishes. According to Kotler and Armstrong (2010), repurchase intention is a person's tendency to buy the most preferred brand. Fang et al. (2014) stated that repurchase intention is a customer's tendency to buy products from the same manufacturer in the long term. Repurchase intention is retention, according to Wu et al. (2014). Retention is frequently considered the most crucial factors in relational marketing. Similarly, repurchase intention, according to Lin and Lekhawipat (2014), might encompass not just the desire to repurchase the items but also the intention to recommend them to friends and family. Businesses should consider repurchase intention when attempting to increase sales of goods and services (Ali, 2019).

Before a consumer buys a product, he/she will seek information from personal experience and input from other people about the product needed. After getting the information, consumers decide which product to buy. The indicators are the existence of

references, interest in the product, and the belief that the brand is able to meet needs. Meanwhile, Keller and Swaminathan (2019) concluded that repurchase intention is measured through transactional, referential, preferential, and explorative intentions.

When two or more well-known brands are integrated into a single offer, this is co-branding. Kim et al. (2007) defined co-branding as a corporate partnership in which businesses remain independent while working together on marketing, production, and space sharing. Co-branding, according to Leuthesser et al. (2003), is the introduction of two brands into a marketing environment, such as distribution channels, product placement, and advertising. Meanwhile, Kotler and Keller (2016) stated that co-branding is a combination of two or more well-known brands in one offer. Co-branding is a collaboration between two or more companies to produce a new product that is expected to increase sales (Korua et al., 2021). Co-branding is successful when partner brands enhance the alliance and raise the degree of partner brand equity (Grebosz, 2012). If the two companies doing co-branding can offer short messages to the targeted audience, this could be a successful marketing campaign (Gaille, 2016).

Co-branding is a development in marketing that has received widespread attention from academics and practitioners. It is expected to meet the needs according to what the market wants (Korua et al., 2021) by integrating both companies' activities and operations to achieve a common goal. This co-branding occurs when individual or constituent brands form one identity and are sold as composite brands (Warraich et al., 2014). With co-branding, there is synergy (co-synergy) where one brand can strengthen other brands to further strengthen consumer appeal. Thus, co-branding can increase sales through existing target markets and open opportunities for new consumers and networks.

By linking themselves with other companies, each of these firms hopes to attract new consumers through co-branding, especially if it takes the form of joint packaging. This kind of reaction can be a feeling of warmth, fun, comfort, joy, security, closeness to the social environment, and self-esteem. This will increase the success of the brand, impacting consumer attitudes toward the brand and forcing consumers make repeated purchases. Kim et al. (2007), Warraich et al. (2014), and Aqeel et al. (2017) found that co-branding strengthens brand equity. However, Korua et al. (2021) showed no effect of co-branding on brand equity. Meanwhile, Abdillah and Khaulani (2020), Kania et al. (2021), Roscha et al. (2022), and Wardana et al. (2022) discovered that co-branding has a positive effect on increasing repurchase intention.

Activities that convey a product's excellence and convince target consumers to purchase it are referred to as promotions. Kotler et al. (2022) stated that promotion is an action that conveys the superiority of a product and convinces target consumers to buy. Meanwhile, sales promotion is a marketing investment activity that produces brand equity resulting from past marketing investments (Aaker, 1996). According to Kotler et al. (2022), sales promotions are marketing tools designed to stimulate faster and larger purchases within a limited period. Ailawadi et al. (2003) found that price promotions have a long-term positive impact on strengthening purchases and brand performance. Similarly, Chung and Lee (2003) found that the higher the sales promotion, the greater the influence on consumers' repurchase intentions.

A brand is more than just a product; it has a dimension that differentiates it from other similar products. This distinction needs to be logical and evident in how a brand's product performs, or it may be more symbolic, sentimental, and intangible in how a brand is represented. A brand may be represented by a name, trademark, logo, or by a mix of these. Customer-based brand equity is a framework for brand equity that looks at it from the customer's standpoint (Yoo et al., 2000). Keller (2001) and Keller and Swaminathan (2019) explain that customer-based brand equity is the difference in the influence of brand knowledge on consumer responses to brand marketing. In contrast, Marques et al. (2020) defined brand loyalty as a resolute and unwavering commitment to stick with and support a brand in the face of rival opposition. Marques et al. (2020) stated that brand equity is a crucial subject in branding, marketing, and management research, as higher brand equity levels are frequently linked to improved cash flow and increased competitiveness.

The fundamental idea behind customer-based brand equity is that a brand's strength may be determined by the experiences of customers who have been studying, sensing, seeing, and hearing about the brand for a while. This notion stresses the conceptualization and evaluation of individual customers; firm-based brand equity concentrates brand value on companies (Simon & Sullivan, 1993; Leone et al., 2002). Most people agree that brand equity is the additional value a brand adds to a product, regardless of the many research streams and methodologies used (Farquhar, 1989). Wang et al. (2021) believed that brand equity is maintained in the minds of consumers and is reclaimed after product purchases. According to Romaniuk and Nenycz-Thiel (2013), customer-based brand equity can influence buying behavior. Bakhshizadeh and Aliasghari (2023), who support this claim, assert that a consumer's willingness to use a product or service increases with brand equity and considerably affects intention to repurchase.

This study relates co-branding, promotion, brand equity, and repurchase intention to investigate the effect of co-branding and promotion on customer-based brand equity and repurchase intention, as well as the effect of customer-based brand equity

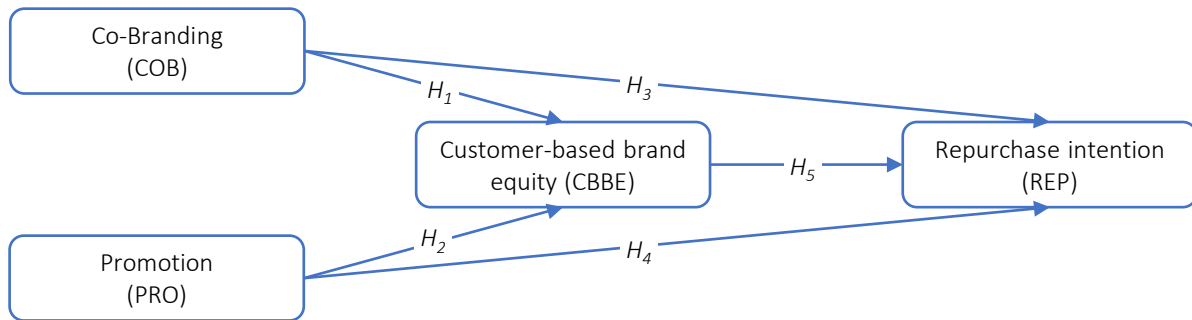


Figure 1. Conceptual model

on repurchase intention. Customer-based brand equity serves as a mediating structure that influences repurchase intention.

This study aims to examine the effect of co-branding and promotions on customer-based brand equity and repurchase intentions with customer-based brand equity as a mediator. Figure 1 shows the conceptual framework.

The hypotheses are:

- H1: *Co-branding positively affects customer-based brand equity.*
- H2: *Promotion positively affects customer-based brand equity.*
- H3: *Co-branding positively affects repurchase intention.*
- H4: *Promotion positively affects repurchase intention.*
- H5: *Customer-based brand equity positively affects repurchase intention.*

2. METHODOLOGY

This deductive research uses a quantitative approach. The population comprises consumers who have shopped at several retail stores in the Pedurungan and Tembalang Districts. These two sub-districts were chosen because their population is denser than other sub-districts in Semarang City. The gender composition is 49.50% for men and 50.5% for women. Productive age is quite high, which shows that the level of consumption of goods and services is also quite high.

The Upmost and Tolak Angin co-branding products are unique collaboration products, so consumers of the upper middle class are expected to be interested in them. The exact number of population is unknown, so the study uses Cochran formula to determine the number of samples.

$$n = \frac{z^2 pq}{e^2}, \tag{1}$$

where n – Sample, z – Prices are in the normal curve for a 5% deviation, with a value of 1.96, p – 50% correct chance, q – 50% chance of being wrong, e – 10% margin of error. The result is $n = 96.04$.

The number of samples calculated above as a benchmark that the minimum sample that is eligible to be used is 96.04. This study uses a sample of 115 respondents to make the selected sample more representative.

This study uses two regression equation models for data analysis purposes, as in model 1 and model 2 below:

Model 1

$$CBBE = a_{11} + b_{11}COB + b_{12}PRO + e_{11}. \tag{2}$$

Model 2

$$REP = a_{21} + b_{21}COB + b_{22}PRO + b_{23}CBEE + e_{21}. \tag{3}$$

where $CBEE$ – Customer-Based Brand Equity, COB – Co-Branding, PRO – Promotion, REP – Repurchase Intention, a_{11} , a_{21} – Constant, b_{11} , b_{12} – Coefficient of Regression, e_{11} , e_{21} – Error.

3. RESULTS

The questionnaires were distributed at outlets or counters that provide or sell Upmost Beauté and Tolak Angin products. The distribution lasted for approximately two weeks with 150 questionnaires. Of these, 115 questionnaires can be processed, as 20 were incomplete and 15 were damaged.

Table 1. Profile of respondents

Information	Frequency	
		Gender
Female	93	
Age	17 – 21 years	63
	22 – 26 years	46
	27 – 31 years	3
	32 – 36 years	2
	> 36 years	1
Job	Student	68
	Entrepreneur	15
	Government employee	2
	Private employee	19
	Others	11
	Total	115

Table 1 describes the profile of research respondents; most are aged between 17-26 years. This shows that the users are teenagers and adults. In this regard, they are those who like new things and cosmetic products, as they are curious. Male respondents constitute 19.1%; they primarily purchased the Tolak Angin product, while the Upmost Beauté cosmetic products were given to people close to them.

Table 2. Co-branding indicators

Variable	Indicator	Frequency of Respondents					Mean
		SD %	D %	KA %	A %	SA %	
Co-Branding (COB)	COB ₁	2.0	5.0	0.0	28.0	57.0	4.16
	COB ₂	0.0	3.0	6.0	21.0	85.0	4.63
	COB ₃	1.0	0.0	12.0	34.0	68.0	4.46
	COB ₄	0.0	1.0	13.0	35.0	66.0	4.44
	COB ₅	0.0	1.0	11.0	29.0	74.0	4.53
	COB ₆	1.0	1.0	18.0	35.0	60.0	4.32

Note: Strongly Disagree (SD), Disagree (D), Neither Agree nor Disagree (KA), Agree (A), and Strongly Agree (SA).

Table 2 shows the description of the co-branding variable. Six indicators indicate that the two

products are well known to the public because of their good quality; this can be seen from the mean value = 4. However, there were respondents who disagreed with this idea. This shows that the respondents did not understand and felt strange about the collaboration between herbal and cosmetic products.

Table 3. Promotion indicators

Variable	Indicator	Frequency of Respondents					Mean
		SD %	D %	KA %	A %	SA %	
Promotion (PRO)	PRO ₁	0.0	1.7	12.2	31.3	54.8	4.39
	PRO ₂	0.9	1.7	13.9	28.7	54.8	4.35
	PRO ₃	0.0	4.3	23.5	36.5	35.7	4.03
	PRO ₄	0.0	2.6	10.4	25.2	61.7	4.46
	PRO ₅	0.0	2.6	2.6	33.0	61.7	4.54

Note: Strongly Disagree (SD), Disagree (D), Neither Agree nor Disagree (KA), Agree (A), and Strongly Agree (SA).

According to Table 3, respondents favorably responded to the promotion indicators; this shows that the promotion was acceptable to the community. However, many respondents only somewhat agreed because they did not understand cosmetics co-branding with herbal products.

Table 4. Customer-based brand equity indicators

Variable	Indicator	Frequency of Respondents					Mean
		SD %	D %	KA %	A %	SA %	
Customer-based brand equity (CBBE)	CBBE ₁	0.9	0.9	7.0	18.3	73.0	4.62
	CBBE ₂	0.0	1.7	5.2	33.9	59.1	4.50
	CBBE ₃	0.9	0.9	7.8	27.0	63.5	4.51
	CBBE ₄	0.9	5.2	29.6	27.0	37.4	4.00

Note: Strongly Disagree (SD), Disagree (D), Neither Agree nor Disagree (KA), Agree (A), and Strongly Agree (SA).

Customer-based brand equity is a method of building brand equity that is based on what consumers have learned, experienced, seen, and heard about a business over time. In Table 4, respondents are already familiar with Upmost’s co-branding products; cosmetic products are well known to teenage consumers, while Tolak Angin is an herbal medicinal widely known by Indonesian people. Although some respondents somewhat disagreed with the co-branding product, this was due to their lack of familiarity with cosmetic products.

Table 5. Repurchase intention indicators

Variable	Indicator	Frequency of Respondents					Mean
		SD %	D %	KA %	A %	SA %	
Repurchase intention (REP)	REP ₁	3.5	11.3	27.8	20.0	37.4	3.77
	REP ₂	4.3	8.7	26.1	26.1	34.8	3.78
	REP ₃	3.5	10.4	19.1	29.6	37.4	3.87
	REP ₄	1.7	3.5	27.0	27.8	40.0	4.01
	REP ₅	0.9	3.5	11.3	26.1	58.3	4.37

Note: Strongly Disagree (SD), Disagree (D), Neither Agree nor Disagree (KA), Agree (A), and Strongly Agree (SA).

Table 5 shows that the respondents are very interested in making repeated purchases, considering that these products are already known to respondents and are widely used both for health and appearance. In addition to respondents who agreed to repurchase, some respondents disagreed. This could be due to disagreement with co-branding between herbal items and cosmetics. In the opinion of the respondents, there is cooperation in products that are not of the same type.

Validity testing is conducted to determine how accurate an instrument is in measuring what it wants to measure by using a factor analysis test. A sample adequacy test was carried out using the Kaiser-Meyer-Olkin (KMO) value, where the KMO value was > 0.5. The sample is considered

Table 6. Validity test

Variables	Indicator	Kaiser-Meyer-Olkin (KMO) > 0.50	Conclusion	Loading Factor > 0.40	Conclusion
Co-Branding	COB ₁	0.814	Fulfill	0.793	Valid
	COB ₂			0.789	Valid
	COB ₃			0.807	Valid
	COB ₄			0.835	Valid
	COB ₅			0.818	Valid
	COB ₆			0.784	Valid
Promotion	PRO ₁	0.838	Fulfill	0.817	Valid
	PRO ₂			0.815	Valid
	PRO ₃			0.772	Valid
	PRO ₄			0.840	Valid
	PRO ₅			0.823	Valid
Customer-based brand equity	CBBE ₁	0.772	Fulfill	0.765	Valid
	CBBE ₂			0.815	Valid
	CBBE ₃			0.814	Valid
	CBBE ₄			0.753	Valid
Repurchase intention	REP ₁	0.764	Fulfill	0.833	Valid
	REP ₂			0.841	Valid
	REP ₃			0.818	Valid
	REP ₄			0.859	Valid
	REP ₅			0.620	Valid

sufficient if KMO > 0.5. The validity test is carried out by determining the loading factor (LF) value; the instrument is considered valid if the LF value is > 0.5. Table 6 shows the results of the validity testing.

A reliability test determines whether measuring items are consistent and whether repeated measurements yield the same findings dependable if evidence from many periods has commonalities. This method of dependability testing makes use of an analytical approach of Cronbach's alpha. If α is more than 0.7 in this reliability test, it is deemed dependable.

Table 7. Reliability test

Variables	Cronbach's Alpha (> 0.70)	Conclusion
Co-Branding (COB)	0.799	Reliable
Promotion (PRO)	0.792	Reliable
Customer-based brand equity (CBBE)	0.811	Reliable
Repurchase intention (REP)	0.806	Reliable

According to the reliability test findings displayed in Table 7, every variable is reliable (Cronbach's alpha > 0.7). This indicates that the questionnaire instrument is trustworthy and dependable, making it suitable. Next, Table 8 shows coefficients of determination with the adjusted R-square values.

Table 8. Determination test of models 1 and 2

Independent Variable	Dependent Variable	Adjusted R-Square
Model 1		
Co-Branding Promotion	Customer-based brand equity	0.69
Model 2		
Customer-based brand equity	Repurchase intention	0.45

The corrected *R*-square values for models 1 and 2 are 69% and 45%, respectively. Because it is less than 70%, this outcome is comparatively low. The *F* significance test is utilized to determine if the developed regression model satisfies the goodness of fit criteria required for forecasting.

Table 9. F-test for models 1 and 2

Independent Variable	Dependent Variable	F-test	
		F	Sig
Model 1			
Co-Branding Promotion	Customer-based brand equity	128.03	0.000
Model 2			
Customer-based brand equity	Repurchase intention	92.58	0.000

Based on Table 9, the *F* significance (*F*-test) value for both models was significant at $0.000 < 0.05$, which means that the regression models for both models met the goodness of fit requirements so that they were feasible to use. Further, linear regression analysis is used to measure the strength of the influence of co-branding and promotions on customer-based brand equity and repurchase intention.

Table 10. Regression analysis for model 1

Dependent Variable CBBE	Standardized Coefficients	Sig-t	Hypotheses
	Beta		
Co-Branding	0.434	0.000	Accepted
Promotion	0.430	0.000	Accepted
F-test	128.03	–	–
R ² -adjusted test	0.69	–	–

Regression analysis for model 1 (Table 10: CBBE = 0.434 COB + 0.43 PRO) shows that co-branding and promotions have a positive effect on customer-based brand equity. The stronger the co-branding and the more intensive the promotion, the better understanding of brand equity. Both co-branding and promotion have a significant effect on increasing brand equity at a significance of less than 1%, so H_1 and H_2 are accepted.

Table 11. Regression analysis for model 2

Dependent Variable Repurchase intention	Standardized Coefficients	Sig-t	Hypotheses
	Beta		
Co-Branding	0.301	0.000	Accepted
Promotion	0.172	0.036	Accepted
Customer-based brand equity	0.392	0.000	Accepted
F-test	13.72	–	–
R ² -adjusted test	0.251	–	–

Note: Model 2: $REP = 0.301COB + 0.172PRO + 0.392CBBE$.

Based on Table 11, co-branding and brand equity have a significant effect on increasing consumer repurchase intention at a significance of less than 1%. Moreover, promotions have a significant effect on increasing consumer repurchase intention at a significance of less than 5%. Thus, H_3 , H_4 , and H_5 are accepted.

According with Baron and Kenny (1986), a variable is a mediator if it affects the correlation between predictor (independent) and criterion (dependent) variables. According to the mediation model, the independent factors affect the mediator variables, which in turn affects the dependent variable. In this study, the independent variables were co-branding and promotion while the dependent variable was repurchase intention. Customer-based brand equity is a mediating or intervening variable. Indirect effects in this study were tested using the Sobel test to determine the value of the indirect effect on each path.

Path A is: Sobel test of COB (co-branding) against REP (repurchase intention) mediated by CBBE (customer-based brand equity). Table 12 shows the path mediation coefficient = 0.3245 and the significant level $p < 0.05$, namely p -value = 0.0018 < 0.05. This shows that customer-based brand equity mediates the effect of co-branding on consumer repurchase intentions. Consumers can distinguish between two partnered brands; therefore,

brand managers should exploit this co-branding strategy smartly (Warraich et al., 2014).

Table 12. Indirect effect and significance using normal distribution of path A

	Value	S.E	LL 95 CI	UL 95 CI	Z	Sig (two)
Effect	0.3245	0.1040	0.1207	0.5283	3.1203	0.0018

Path B is: Sobel test of PRO (promotion) against REP (repurchase intention) mediated by CBBE (customer-based brand equity). Table 13 shows the path mediation coefficient = 0.2586 significant at $p < 0.05$, namely $p\text{-value} = 0.0042 < 0.05$. These results indicate that customer-based brand equity mediates the effect of promotion on consumer repurchase intentions.

Table 13. Indirect effect and significance using normal distribution of path B

	Value	S.E	LL 95 CI	UL 95 CI	Z	Sig (two)
Effect	0.2586	0.0902	0.0817	0.4355	2.8659	0.0042

4. DISCUSSION

The results empirically support the positive interaction of co-branding between Upmost Beauté and Tolak Angin toward brand equity (H_1). The combination of the two brands in one product works together; each brand shares competition, and the overall market share increases. Upmost Beauté has succeeded in attracting customers of Tolak Angin, and Tolak Angin has succeeded in attracting customers of Upmost Beauté, conditions that certainly have an impact on increasing income. This study supports Kim et al. (2007), Warraich et al. (2014), and Aqeel et al. (2017). However, Korua et al. (2021) found no effect of co-branding on brand equity.

Co-branding also interacts positively with repurchase intention; co-branding has succeeded in increasing consumer confidence in repurchase intention (H_3). When consumers are unsure about product attributes, companies can rely on the combination of two brands (co-branding) as a tool for emphasizing product credibility to reduce information costs and consumer risk perceptions and increase the value that buyers obtain from the

product, thereby increasing consumer purchase intentions (Kim & Hyun, 2011). This study empirically supports Pitaloka and Gumanti (2019), Abdillah and Khaulani (2020), Kania et al. (2021), Roscha et al. (2022), and Wardana et al. (2022).

Promotion increases customer-based brand equity (H_2). This condition indicates that promotional activities are crucial in creating brand equity. Promotional activities strengthen customer confidence in customer-based brand equity. This study aligns with Yang et al. (2015), Alhaddad (2015), Salelaw and Singh (2016), Shen (2019), Umer and Salman (2019), and Bhakar et al. (2020). However, these findings contradict Kim et al. (2007) and Valette-Florence et al. (2011), who claimed a negative effect of sales promotion intensity on brand equity.

Promotion also has a positive effect on increasing repurchase intention; this shows that promotional activities affect consumer intentions to repurchase products. Promotional activities are critical for companies, because they will always remind consumers of these products. Promotional activities for Upmost Beauté and Tolak Angin products have stimulated consumer interest in making repeated purchases. These empirical findings support Wang (2021) and Munte et al. (2022) but reject Muthi and Utama (2023), who found no effect of promotion on repurchase intention.

Customer-based brand equity as a representation of brand equity has been empirically proven to have a positive interaction with repurchase intention. This condition indicates that when a company has more value than its competitors, it will encourage consumers to repurchase the product. Thus, customer-based brand equity increases consumer intentions to repurchase company products. This study supports Pather (2017), Ali (2019), Pitaloka and Gumanti (2019), Karunaratna (2021), and Park and Namkung (2022). However, Bakhshizadeh and Aliasghari (2023) and Muthi and Utama (2023) found no empirical evidence of the effect of customer-based brand equity on repurchase intention.

Sobel test provides empirical evidence that customer-based brand equity mediates co-branding and promotion relationship on consumer repurchase

intention. Thus, customer-based brand equity is a critical component in a business, because it shows that a company has more value than its competitors. Therefore, building brand equity is vital for business activists because surely every company strives

to achieve positive brand equity. Consumers will choose products from that brand over other products outside the brand, and will be willing to pay for the product at a high price even though consumers can get the same thing from other brands.

CONCLUSION

This study aims to determine the effect of co-branding and promotion on customer-based brand equity and repurchase intention in the collaboration of Upmost Beauté cosmetic product and Tolak Angin herbal medicinal product in Semarang, Indonesia. First, it was found that co-branding had a significant positive effect on customer-based brand equity and repurchase intention. This means that customer-based brand equity and repurchase intention will increase with Upmost Beauté and Tolak Angin co-branding. Second, promotion positively affects customer-based brand equity and repurchase intention. This indicates that intensive promotions increase customer-based brand equity and repurchase intention. Third, customer-based brand equity mediates the influence of co-branding and promotion on repurchase intention.

The findings indicate that customer-based brand equity takes a strategic role as a mediator for co-branding and promotions in influencing consumers' repurchase intentions. This means that companies must use customer-based brand equity to strengthen the influence of co-branding and promotions so that consumers' repurchase intentions are increased. Similarly, with intensive promotional programs and many discounts on certain purchases, the collaboration of two well-known products will attract customers and increase their repurchase intention.

AUTHOR CONTRIBUTIONS

Conceptualization: Robertus Basiya, Marlien Marlien.

Data curation: Marlien Marlien, Kasmari Kasmari, Bambang Sutejo.

Formal analysis: Robertus Basiya, Kasmari Kasmari, Bambang Sutejo.

Investigation: Marlien Marlien, Bambang Sutejo, Bambang Sudiyatno.

Methodology: Bambang Sudiyatno, Kasmari Kasmari.

Project administration: Robertus Basiya, Marlien Marlien.

Validation: Marlien Marlien, Robertus Basiya, Bambang Sudiyatno.

Visualization: Bambang Sutejo, Kasmari Kasmari.

Writing – original draft: Marlien Marlien, Bambang Sutejo, Kasmari Kasmari.

Writing – review & editing: Robertus Basiya, Bambang Sudiyatno.

REFERENCES

1. Aaker, D. A. (1996). Measuring brand equity across products and markets. *California Management Review*, 38(3), 102-120.
2. Abdillah, W. A., & Khaulani, D. G. (2020). The effect of co-branding on purchasing decisions in the Indonesia ice cream industry. *Journal of Economic Studies (JoES)*, 4(1), 1-10. Retrieved from <https://journal.islamicateinstitute.co.id/index.php/joes/article/view/648>
3. Ailawadi, K. L., Lehmann, D. R., & Neslin, S. A. (2003). Revenue premium as an outcome measure of brand equity. *Journal of Marketing*, 67(4), 1-17. <https://doi.org/10.1509/jmkg.67.4.1.18688>
4. Alhaddad, A. A. (2015). The effect of advertising awareness on brand equity in social media. *International Journal of e-Education, e-Business, e-Management and e-Learning*, 5(2), 73-84. Retrieved from <https://dspace.uui.ac.id/bitstream/handle/123456789/12569/Brand%20Awareness%202.pdf?sequence=2&isAllowed=y>
5. Ali, H. (2019). Building repurchase intention and purchase decision: Brand awareness and brand loyalty analysis (Case study private label product in Alfamidi Tangerang). *Saudi Journal of Humanities and Social Sciences*, 04(09), 623-634. <https://>

- doi.org/10.36348/sjhss.2019.v04i09.009
6. Aqeel, Z., Hanif, M. I., & Malik, M. S. (2017). Impact of co-branding and brand personality on brand equity: A study of telecom sector in Pakistan. *Journal of Business and Retail Management Research*, 12(1), 86-93. <https://doi.org/10.24052/jbrmr/v12i01/iocabpobeasotsip>
 7. Bakhshizadeh, E., & Aliasghari, H. (2023). Customer-based brand equity and customer behavioral intention: Evidence from insurance service. *Revista Brasileira de Marketing*, 22(1), 439-468. <https://doi.org/10.5585/REMARK.V22I1.20256>
 8. Baron, R. M., & Kenny, D. A. (1986). The moderator-mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of Personality and Social Psychology*, 51(6), 1173-1182. Retrieved from <https://www.sesop.org/files/The%20Moderator-Baron.pdf>
 9. Bhakar, S. S., Bhakar, Sh., & Bhakar, Sh. (2020). Impact of price promotion on brand equity model: A study of online retail store brands. *Journal of Content, Community & Communication*, 11(6), 124-142. <https://doi.org/10.31620/JCCC.06.20/10>
 10. Chung, I. K., & Lee, M. M. (2003). A study of influencing factors for repurchase intention in internet shopping malls. *Proceedings International Parallel and Distributed Processing Symposium*. Nice, France. <https://doi.org/10.1109/IPDPS.2003.1213440>
 11. Fang, Y., Qureshi, I., Sun, H., McCole, P., Ramsey, E., & Lim, K. H. (2014). Trust, satisfaction, and online repurchase intention: The moderating role of perceived effectiveness of ecommerce institutional mechanisms. *MIS Quarterly*, 38(2), 407-427. <https://doi.org/10.25300/MISQ/2014/38.2.04>
 12. Farquhar, P. H. (1989). Managing brand equity. *Marketing Research*, 1(3), 24-33. Retrieved from https://www.academia.edu/27060613/Managing_brand_equity
 13. Gaille, B. (2016, May 31). *12 pros and cons of co-branding*. Small Business and Marketing Advice. Retrieved from <https://brandon-gaille.com/12-pros-and-cons-of-co-branding/>
 14. Grebosz, M. (2012). The outcomes of the co-branding strategy. *Chinese Business Review*, 11(09), 823-829. <https://doi.org/10.17265/1537-1506/2012.09.006>
 15. Kania, R., Sukoyo, K. S., & Wibisono, N. (2021). Effect of co-branding strategy elements on consumer attitude and purchase intention: A study in Indonesia. *Journal of Marketing Innovation (JMI)*, 1(01), 30-50. <https://doi.org/10.35313/jmi.v1i01.17>
 16. Karunaratna, A. C. (2021). Impact of brand equity dimensions on repurchase intention: Evidence from soft drinks consumption of adolescents. *South Asian Journal of Business Insights*, 1(1), 3-24. Retrieved from <https://sajbi.sljol.info/7/volume/1/issue/1/>
 17. Keller, K. L. (2001). *Building customer-based brand equity. A blue print for creating strong brand* (Working Paper No. 01-107). Marketing Science Institute. Retrieved from <http://anandahussein.lecture.ub.ac.id/files/2015/09/article-4.pdf>
 18. Keller, K., & Swaminathan, V. (2019). *Strategic brand management* (13th ed.). Pearson.
 19. Kim, J. H., & Hyun, Y. J. (2011). A model to investigate the influence of marketing-mix efforts and corporate image on brand equity in the IT software sector. *Industrial Marketing Management*, 40(3), 424-438. <https://doi.org/10.1016/j.indmarman.2010.06.024>
 20. Kim, W. G., Lee, S., & Lee, H. Y. (2007). Co-branding and brand loyalty. *Journal of Quality Assurance in Hospitality & Tourism*, 8(2), 1-23. https://doi.org/10.1300/J162v08n02_01
 21. Korua, B. Y., Saerang, D. P. E., & Tumewu, F. J. (2021). The influence of co-branding on brand equity (Case study: BNI digital branch banking café mantos 3). *Journal EMBA*, 9(3), 1631-1643. Retrieved from <https://ejournal.unsrat.ac.id/index.php/emba/article/view/35881>
 22. Kotler, P., Keller, K. L., & Chernev, A. (2022). *Marketing management* (16th ed.). Pearson Prentice Hall.
 23. Kotler, P., & Armstrong, G. (2010). *Principles of marketing*. Pearson Education, Inc.
 24. Kotler, P., & Keller, K. L. (2016). *Marketing management* (15th ed.). Pearson Education Limited.
 25. Leone, R. P., Rao, V. R., Keller, K. L., Luo, A. M., McAlister, L., & Srivastava, R. (2002). Linking brand equity to customer equity. *Journal of Service Research*, 9(2), 125-138. <https://doi.org/10.1177/1094670506293563>
 26. Leuthesser, L., Kohli, C., & Suri, R. (2003). 2+2=5? A framework for using co-branding to leverage a brand. *The Journal of Brand Management*, 11, 35-47. <http://dx.doi.org/10.1057/palgrave.bm.2540146>
 27. Lin, C., & Lekhawipat, W. (2014). Factors affecting online repurchase intention. *Industrial Management & Data Systems*, 114(4), 597-611. <https://doi.org/10.1108/IMDS-10-2013-0432>
 28. Marques, C., da Silva, R. V., Davcik, N. S., & Faria, R. T. (2020). The role of brand equity in a new rebranding strategy of a private label brand. *Journal of Business Research*, 117, 497-507. <https://doi.org/10.1016/j.jbusres.2020.06.022>
 29. Munte, Y. S., Ginting, P., & F. Sembiring, B. K. (2022). The influence of trust and sales promotion on repurchase intention through consumer satisfaction in doing online shopping in Medan city. *International Journal of Research and Review*, 9(8), 318-337. <https://doi.org/10.52403/ijrr.20220826>
 30. Muthi, L. H., & Utama, A. T. (2023). The effect of price, brand image and promotion on easy shopping customer repurchase intention mediated by customer satisfaction. *Dinasti International Journal of Management Science*, 4(4), 613-626. <https://doi.org/10.31933/dijms.v4i4.1668>
 31. Park, C. I., & Namkung, Y. (2022). The effects of instagram marketing activities on customer-based

- brand equity in the coffee industry. *Sustainability*, 14(3), Article 1657. <https://doi.org/10.3390/su14031657>
32. Pather, P. (2017). Brand equity as a predictor of repurchase intention of male branded cosmetic products in South Africa. *Business & Social Science Journal*, 2(1), 1-23. Retrieved from <https://hdl.handle.net/10520/EJC-933cbe532>
 33. Pitaloka, I. W., & Gumanti, T. A. (2019). The effects of brand equity on repurchase intention: The role of brand relationship quality in muslim wear brand Surabaya-Indonesia. *International Journal of Scientific and Technology Research*, 8(1), 196-199. Retrieved from <https://www.researchgate.net/publication/331972603>
 34. Romaniuk, J., & Nenycz-Thiel, M. N. (2013). Behavioral brand loyalty and consumer brand associations. *Journal of Business Research*, 66(1), 67-72. <https://doi.org/10.1016/j.jbusres.2011.07.024>
 35. Roscha, G. Z., Angelia, & Mahaputra, N. B. (2022). The effect of co-branding and brand equity McDonalds X BTS on purchase intention of BTS meal products. *Pinisi Business Administration Review*, 4(1), 53-64. Retrieved from <http://ojs.unm.ac.id/index.php/pbar/index%0Ahttp://ojs.unm.ac.id/index.php/pbar/index%0A>
 36. Salelaw, G. T., & Singh, A. (2016). The impact of sales promotion on brand equity: The case of brewery industry. *Journal of Marketing and Consumer Research*, 22, 68-81. Retrieved from <https://iiste.org/Journals/index.php/JMCR/article/view/30161>
 37. Shen, Z. (2019). Sales promotions and brand equity: The moderating role of product type. *Proceedings of the 3rd International Conference on Education, Economics and Management Research* (pp. 568-572). <https://doi.org/10.2991/assehr.k.191221.138>
 38. Simon, C. J., & Sullivan, M. (1993). The measurement and determinants of brand equity: A financial approach. *Marketing Science*, 12(1), 28-52. Retrieved from <https://www.jstor.org/stable/183736>
 39. Valette-Florence, P. V., Guizani, H., & Merunka, D. (2021). The impact of brand personality and sales promotions on brand equity. *Journal of Business Research*, 64(1), 24-28. <https://doi.org/10.1016/j.jbusres.2009.09.015>
 40. Wang, B. (2021). Promotional framing affects repurchase intention: Roles of consumer gender and product nature. *Journal of Promotion Management*, 27(7), 1014-1030. <https://doi.org/10.1080/10496491.2021.1888173>
 41. Wang, S., Liao, Y. K., Wu, W. Y., & Le, K. B. H. (2021). The role of corporate social responsibility perceptions in brand equity, brand credibility, brand reputation, and purchase intentions. *Sustainability*, 13(21), Article 11975. <https://doi.org/10.3390/su132111975>
 42. Wardana, F. R., Yulisetiari, D., & Utami, E. S. (2022). The effect of co-branding, brand personality and ethnocentrism on satisfaction through consumer purchase decisions for compass shoes in Jember regency. *IOSR Journal of Business and Management*, 24(7), 1-7.
 43. Warraich, U. A., Awais, M., Amin, A., Parkash, R., & Ahmad, B. (2014). Effect of co-branding on brand equity. *Proceedings of the 3rd International Conference on Economics Marketing and Management*. Toronto, Canada. Retrieved from <https://www.researchgate.net/publication/269421957>
 44. Wu, L. Y., Chen, K. Y., Chen, P. Y., & Cheng, S. L. (2014). Perceived value, transaction cost, and repurchase-intention in online shopping: A relational exchange perspective. *Journal of Business Research*, 67(1), 2768-2776. <https://doi.org/10.1016/j.jbusres.2012.09.007>
 45. Yang, J., Zhang, M., & Zou, Z. (2015). The effect of in-game advertising in SNS on brand equity. *Journal of Service Science and Management*, 8(1), 107-114. <http://dx.doi.org/10.4236/jssm.2015.81013>
 46. Yoo, B., Donthu, N., & Lee, S. (2000). An examination of selected marketing mix elements and brand equity. *Journal of the Academy of Marketing Science*, 28(2), 195-211. <https://doi.org/10.1177/0092070300282002>