CHAPTER I

1.1 Background

Product recalls are common and often unavoidable in the automotive industry. A product recall is a precautionary action implemented by manufacturers to retrieve defective or faulty items from consumers and implement necessary measures to address the identified issues (Bernon, et al, 2018). While recalls aim to protect consumers, they can also impose substantial reputational costs if not managed properly. These recalls arise from various issues, such as defective products, incorrect labeling, or undeclared ingredients (Yakut & Bayraktaroglu, 2021).

Recalls are often associated with potentially risks and can diminish perceptions of product quality (Frank et al., 2014). Timing and accountability significantly affect consumer attitudes toward a brand, as companies' product crisis strategies play a crucial role in shaping consumer trust and emotional connections. Product recalls may reduce the likelihood of product purchase, as dissatisfied customers may switch to competing brands or abandon the product entirely. Notable cases of product recalls in the automotive sector include the Honda, which faced over 2 million product recalls worldwide.

An item may be recalled after production due to problems including food poisoning, defective products, incorrect labeling, or undeclared ingredients (Pruitt and Peterson, 1986 in Chu et al., 2005). Depending on the timing of the recall and accountability, this research reveals that the company's subsequent product crisis strategy significantly influences consumers' attitudes toward the brand. Responsible behavior enhances customer trust and emotional connection.

To mitigate the negative effects of product recalls, transparent and communicative approaches are essential. For multinational brands like Honda, media coverage of recalls is often swift and extensive, serving as a double-edged sword that significantly influences consumer perceptions. However, this extensive coverage also

provides an opportunity for the brand to demonstrate transparency and honesty in their crisis communication, which can reassure consumers and help maintain trust. News exposure plays an important role in shaping how consumers interpret a brand's response to safety concerns, further impacting the importance of effective crisis communication (Sun & Li, 2024).

According to Jonathan Bernstein (2015), crisis communication is a strategic process by organizations to manage information and messages during critical or emergency situations that could damage their reputation or operations. The goal is to address problems quickly, reduce negative impacts, and maintain or restore public trust. Crisis communications involve first a crisis identification and assessment of the situation to understand the scale and potential impact. Second, a Response Planning to Develop a clear and strategic action plan. Third, Information Delivery Provides accurate, consistent, and transparent information to all stakeholders. Fourth is damage control, which minimizes damage and controls the public narrative. Lastly, evaluation and learning by analyzing crisis responses to identify strengths and weaknesses and improve future strategies.

Effective crisis communication can mitigate the impact of recalls by addressing several key aspects, including recall time, where speed in handling product recalls is key in crisis communication. A quick response shows responsibility and concern for consumer safety, which can help reduce negative impacts. Second, accountability; demonstrating accountability through acknowledging errors and clear corrective actions helps restore consumer trust. Transparency in communication creates the impression that the company is honest and reliable. The third is a Product Crisis Strategy. A good strategy involves direct notification to consumers, a detailed explanation of the problem, and steps taken to prevent similar incidents in the future. This can change negative perceptions into positive ones by demonstrating the company's commitment to quality and safety.

In this study, Honda was chosen as the focus due to its significant presence in both the Indonesian and global automotive landscape. It remains a leading brand with a strong consumer base. As the third-largest car manufacturer in Indonesia, Honda holds a substantial market share of 11% based on sales as of November 2024 (Gaikindo, 2024).

INDONESIA TOP 10 VEHICLE RETAIL SALES BY BRAND JANUARY 2024

(TOTAL: 361,698 UNITS)

Brand	Units (%)
TOYOTA	116,621 (32.2%)
DAIHATSU	76,056 (21.1%)
HONDA	44,056 (12.2%)
MITSUBISHI MOTORS	30.647 (8.5%)
SUZUKI	29,927 (8.3%)
ISUZU	11,422 (3.2%)
FUSO	10,702 (3%)
HYUNDAI HMID	10,323 (2.9%)
WULING	9,350 (2.6%)
HINO	8,186 (2.3%)

www.gaikindo.or.id

Figure 1.1 Indonesia Top Selling Vehicle as of January 2024.
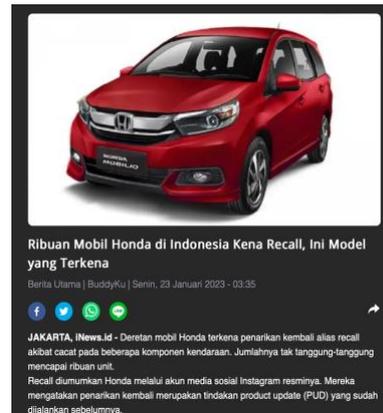
Source: Gaikindo, 2024.

Figure 1.2 Honda's News Recall

In Indonesian automotive landscape, Honda has experienced significant recalls in recent years—including a 2023 recall of over 2 million vehicles due to steering system issues. Models affected include the Civic, CR-V, HR-V, and Acura Integra, among others. Honda received over 10.000 warranty claims related to this issue, affecting markets in North America, including United States, Canada, and Mexico (Rahadiansyah, 2024). There are around 1.7 million vehicles in the United States, 240.000 in Canada, and 58.000 in Mexico covered by the recall. These widespread recalls underline the importance of thorough quality control and responsive crisis management strategies (Lee, 2024).

In Indonesia, Honda's recalls effort have primarily addressed fuel pump defects and brake booster problems. PT Honda Prospect Motor (HPM), the representative of Honda in Indonesia, emphasized their commitment to ensuring the highest safety standards by urging consumers to visit authorized workshop for inspections and component replacement (Honda Indonesia, 2024). Such measures highlight Honda's proactive stance in safeguarding consumer safety and maintaining brand integrity amidst crisis.

In relation to this, product recalls directly influence consumer purchasing decisions and brand reputation. Coombs (2013) highlights the correlation between

media exposure, reputation management, and purchase intention. Negative media coverage can damage brand image, while effective communication strategies can rebuild trust and loyalty. Brand reputation plays an important role in shaping consumer perceptions, as it reflects the company's commitment to quality and safety (Wijaya, 2013). Addressing consumers concern sincerely could mitigate adverse effect and even enhance brand loyalty by showcasing accountability and care.

Brand loyalty reflects the relationship consumers have with the brand, which characterized by consistent purchasing behavior and positive attitudes based on the past experiences. Behavioral loyalty, as noted by Diallo et al, (2020), indicates a consumer's preference for repeatedly purchasing a specific brand. Evaluating brand loyalty involves analyzing consumer perceptions of brand and their likelihood to recommend the brand to others. This loyalty often serves as a buffer during crisis, helping brand retain a core customer base.

For automotive products, which are often high-value and an essential to daily life, maintaining consumer trust is important. Product recalls can challenge this trust, but strategic management and effective communication can mitigate its negative impact. For instance, the companies that invest in long-term relationships with their consumers often fare better during crisis. Transparent recall announcements, easy-to-navigate replacement process, and consistent follow ups are among the key in retaining customer loyalty. This research explores the interplay between media exposure, brand loyalty, and consumer purchase intentions in the context of Honda's product recalls.

In the thesis entitled "the influence of Honda product news recall exposure and brand loyalty on consumer purchase intentions," crisis communication strategies and corporate communication have a significant impact on consumer attitudes and purchase intentions. Fast and transparent response in managing the crisis, combined with good corporate communication effective, can increase trust, restore loyalty, and positively influence consumer purchasing intentions (Mazzei, Ravazzani, et.al, 2013). By

implementing these strategies, Honda can minimize the negative impact of product recalls and maintain strong relationships with consumers.

Through a comprehensive analysis, this study intends to shed lights on the effect of product recalls and brand loyalty toward customers' purchase intention. The results of this research will be useful as reference material for determining the brand's strategy in dealing with news that has continued to hit the public and they could become potential consumers for the brand. From the explanation of this phenomenon, researchers are interested in conducting research related to exposure to news regarding product recalls, then whether loyalty to a particular brand will be able to influence purchasing interest in products from that brand.

1.2 Research Problem

A brand's reputation remains strong in an ideal market despite occasional problems, such as product recalls. In the case of Honda, loyal customers should continue purchasing its products even after being exposed to negative news. Ideally, product recalls would be perceived as a sign of corporate responsibility rather than a threat to the brand's image, and news exposure would not significantly affect consumer trust, ensuring stable purchase behavior.

The problem arises from the lack of understanding of how news exposure to product recalls interacts with existing consumer perceptions of Honda. This leaves an opportunity to investigate whether conditioned associations with Honda influence consumer reactions to recall news and whether brand loyalty and purchase intention remain stable in such situations. In addition, brand loyalty itself plays a crucial role in shaping consumer purchase intentions. Highly loyal Honda consumers may be more tolerant of negative recall news and continue purchasing the brand despite potential concerns. Since brand loyalty encompasses consumer trust, satisfaction, and commitment to the brand, this research also explores how Honda's brand loyalty can mitigate the negative effects of product recall news on purchase intention. Therefore,

this study questions, does exposure to Honda's product recall news and brand loyalty influence consumers' purchase intention?

1.3 Research Objective

The purpose of this study is to examine the influences of (X1) news exposure of product recall and (X2) Brand loyalty towards (Y) Purchase Intention.

1.4 Research Significance

1. In social terms, this research aims to increase awareness how news exposure and brand loyalty affect customer behavior, creating trust, responsibility, and informed choices, and how media and businesses maintain transparency and stability during crises.

2. In the academic term, it will help to learn to identify or develop a point of view on the influence of the relationship between news exposure of product recall, brand loyalty and the consumer's purchase intention.

3. In the practical term, this research aims to help researchers as a reference in providing news for further research regarding the relationship between the product recall to purchase intention and loyalty in the company's relationship with consumers.

1.5 Theoretical Framework

1.5.1 Research Paradigm

This Quantitative research used the positivism research as the positivism uses the theoretical-experimental framework for testing initial hypotheses and derive operational associations between cause-and-effect elements (independent variables) and results (dependent variables) to forecast and regulate the phenomenon under study. (Park, Y. S., Konge, L., & Artino, A. R. 2020). To better comprehend objects by such practical evaluations and techniques such as sampling, measurement, surveys, and focus group discussions, positivist researchers could apply the paradigm. Given these factors, it's possible that

positivist researchers' findings meet or exceed accepted levels of validity and reliability. (Cohen et al, 2007)

1.5.2 State of the Art

First, a research entitled "Pengaruh Citra Merek, Harga, Dan Kualitas Produk Indomie Melalui Kepuasan Konsumen Sebagai Variabel Intervening Terhadap Loyalitas Pelanggan" by Rizki, Putiari Alaina and Budi Prabowo in 2022 figured out how Indomie's brand identity, merchandise quality, and pricing strategy shape customer contentment, which is a variable that affects customer loyalty. The Sobel test findings indicate that brand perception influences customer loyalty via buyer satisfaction, pricing impacts customer loyalty through buyer contentment, and product excellence affects customer loyalty through buyer fulfillment. This research highlights how brand identity, product standards, pricing, consumer satisfaction, and customer retention shape purchasing behavior for instant noodles.

Second, a study by Lutviana et al., in 2019 entitled Kontribusi Brand Image, Brand Trust Dan Customer Satisfaction Dalam Menciptakan Customer Loyalty Pada Produk Indomie di Kabupaten Lumajang aims to understand how brand image, brand trust, and customer satisfaction influence customer loyalty towards Indomie products in the Pasrujambe district of Lumajang regency. The study collected data from 80 consumers who had bought Indomie products using purposive sampling. Multiple regression analysis was applied to interpret the data. The findings reveal that brand reputation, brand reliability, and customer contentment have a notable effect on consumer loyalty. Around 32.7% of customer loyalty is attributed to these determinants, whereas the other 67.3% is shaped by unknown influences.

Third, a research brand equity' perceptual aspects: Mapping the Symmetric and Asymmetric Pathways to brand allegiance and purchasing intention (Foroudi,

P., Jin, Z., Gupta, S., Foroudi, M. M., & Kitchen, P. J., 2018). This study uses the theory of complexity to look at how brand image affects brand loyalty and the decision to buy. It focuses on figuring out how to think about and work with the perceptual and behavioral aspects of brand equity, well as studying the different aspects of brand perception and figuring out how a good brand perception affects marketing performance. The study utilized content assessment and fuzzy-set qualitative comparative investigation to analyze the data. This was done using a mixed-methods approach that included interviews and a questionnaire study. The findings indicate that brand awareness, perceived value, brand connection, brand preference, brand reputation, and the image of the product's country of origin all have a big effect on how people think about a brand. The study looks at how different perceptual aspects of brand equity affect brand loyalty and purchase intent as a whole, rather than just one factor at a time. It shows how important interactive brand perception is in the fashion business to make customers more loyal and change the way they buy.

Fourth, A study with the title The Effects Of Price, Brand Image, And Product Quality On Customer Loyalty And Repurchase (A Study Case On Customers Of Walls Products) by Prasetyo H & Purwanto (2022). This study examines the impact of intense industry competition, quick innovations, and customer retention efforts on the ice cream sector, highlighting their significance as competitive objectives and limited resources. The factors of pricing, brand perception, and product standard play a essential influence on consumer commitment and are influential considerations in the future purchasing decision-making process. The objective of this research was to examine the impact of pricing, brand image, and product quality on consumer loyalty and repurchase intention. The present study included a sample size of 130 individuals who made purchases of Walls brand ice cream items. The

researchers utilized a Structural Equation Model (SEM) to analyze the data, employing a data analysis methodology to evaluate the proposed hypotheses. The findings of this study indicate that pricing, brand image, and product quality exert a favorable influence. Furthermore, customer loyalty is found to positively impact rebuying intentions. Notably, the commitment of most customers is identified as having the most significant effect on repurchase intention.

Fifth, research conducted by Arafah, R., & Fadhilah, M. with the title Pengaruh Perilaku Konsumen Terhadap Keputusan Pembelian Obat Paracetamol Syrup Pasca Penarikan Obat Pt. Afifarma Oleh BPOM in 2023. Drug manufacturer PT. Afifarma has been in the news recently after the Indonesian Food and Drug Monitoring Agency (BPOM) ordered the withdrawal of a paracetamol syrup from store shelves due to it exceeding legal limits for Ethylene Glycol (EG). The BPOM's choice to stop selling PT. Afifarma's medicines have the potential to affect how people act and what medicines they buy. This is why a qualitative research study is being done to find out how people's actions affect what medicines they buy. The results of the study show that the BPOM had to recall the product because it was their responsibility to do so. Consumers' psychological reactions to the recall have been altered, leading them to have less faith in PT. Afifarma's offerings. As a result, customers are more careful when buying medications and rely on advice from pharmacists and doctors.

The aforementioned five publications present parallel findings that highlight the impact of product recalls on customer purchasing behaviour and brand loyalty during times of crisis such as product recall.

1.5.3   News exposure Product Recall (X1)

News is a word that comes from Sanskrit in the form of Vrit, which in English is called write and means "existing" or "happening." Some individuals also call

it vritta, which means "event" or "what has happened." Meanwhile, in Indonesia, vritta means "news" (Sopian, 2016).

According to (Cahya, 2014), news is the result of oral or written reports that originate from real, everyday life. Because news is the result of a report, the news must contain information about the latest and actual events that are conveyed in an important and interesting way to readers. This statement was reinforced by Mitchel V. Charnley and Jakob Oetomo (Cahya, 2014), who stated that news is the hottest report about facts that are interesting and important for readers.

From these two definitions, it can be interpreted that news is a message that must have important value so that it can be presented to readers using a media platform that will later aim to attract the attention of the audience who reads the news.

Alexis (Nurudin, 2014) explains that there are four main functions of reporting, namely:

1. Provide information (to inform)
   The media functions to report information about an event or incident because information is the most important component of reporting.
2. Educate (to educate)
   People who read the news can gain knowledge and skills for themselves effectively.
3. Persuasion (to persuade)
   Reporting can influence audiences in making decisions or behavior in society.
4. Entertainment (to entertain)
   News has an entertainment function, which means that the news delivered has the power to entertain the public.

Media exposure can be experienced because society is open to a message conveyed by the media in depth, and it has similarities to experiences and concerns that can occur within a person or group. The use of social media and consumption of news are one of the reasons for producing an effect resulting from someone being exposed to the media.

Media exposure is not only measured by how much people are aware of the presence of mass media but also by how much they open their minds or accept messages received through mass media. Mass media has quite an influence on what the audience thinks, and it can influence the perception of the audience. What is considered important by television means it is also important for the audience (Rakhmat, 2015).

Media exposure, or media exposure, is an activity of seeing, reading, and hearing media messages and paying special attention and experience to these messages. Later, media exposure will produce a media effect, which ultimately results in behavior in individuals or groups. The influence of media exposure can also be seen from the frequency, duration, and attention to consuming the media as a whole.

Product recalls usually occur when a product shows below-standard quality or is potentially dangerous (Zhao et al., 2014). They begin with the discovery of a defect by the manufacturer, distributor, importer, retailer, or user themselves.

According to Pruitt and Peterson (1986) in (Zhao et al., 2014), product recalls occur when a product poses a danger to consumers or violates safety regulations. According to the National Legal Development Agency (BPHN), a defective product is a product that cannot fulfill the purpose for which it was made, either because of intention or negligence in the production process or due to other things that occur during its distribution or does not provide safety requirements for people or property them in their use, as one would expect.

The product recall incident shows a major crisis for an industry that can damage brand integrity, company reputation, and company profits (Diredja, 2013). Siomkos and Kurzbard (1994) in (Diredja, 2013) explain that three factors, namely influence the success of product crisis management:

1. Company reputation The consequences of a crisis on a company with a good reputation may be limited.
2. External effects (Impact of media coverage) The media can limit the negative effects of a product crisis when they report that the company is acting responsibly or vice versa.
3. Company response during a crisis several responses can be made during a crisis. However, Siomkos and Kurzbard suggested that companies carry out voluntary product recalls and take the initiative to make super-efforts.

1.5.4   Brand Loyalty (X2)

According to (Aaker & Biel, 2015) brand loyalty is a connection between customers and a brand. This indicator helps determine whether a customer is prone to shifting to a rival brand, especially when discrepancies in price or other features exist. As noted by (Schiffman & Wisenblit, 2019), brand loyalty is also the preference of consumers who habitually purchase from the same brand for certain products within defined service segments.

Brand loyalty is characterized by the scope to which a customer maintains a positive perception of a brand, demonstrates dedication to it, and expresses a willingness to repurchase in the future. It is influenced by accumulated satisfaction or dissatisfaction with the brand over a certain period, along with perceived product quality (Yulianti et al., 2019).

Based on Oliver (1999) in (Noor, 2014), brand loyalty is categorized into four dimensions, which include:

1. Cognitive Loyalty is the primary dimension, emphasizing product quality, which influences customer preferences, pricing considerations, and product awareness.
2. Affective Loyalty serves as the second crucial dimension, highlighting customer satisfaction and enjoyment of products from the same brand. This aspect conveys emotional responses, which may be either positive or negative.
3. Conative Loyalty refers to the intention to repurchase, stemming from a favorable attitude toward a specific brand. It reflects the level of customer attachment and willingness to make repeat purchases.
4. Behavioral Loyalty represents the frequency of repeated customer purchases, illustrating how consistently customers choose products from a specific brand. Consumers prefer to buy only from certain brands to fulfill their needs.

From the aforementioned definition, it can be determined that brand loyalty signifies a consumer's attachment to the high value of a brand, because of this attachment consumers will reject all strategies carried out by brand competitors.

1.5.5 Purchase intention (Y)

The intention or willingness to buying a product or service signifies a form of consumer behavior. Purchase intention refers to potential buyers Ppople who have yet to make a purchase but are expected to buy in the future, often referred to as known as prospective consumers.

Purchase intention, as Aptaguna & Pitaloka (2016) suggest, is a product of the learning process and thought processes that shape consumer perception. When it emerges, this intention triggers motivation, imprinting it into the consumer's mind as a powerful force. When the time comes to satisfy their needs, this intention is actualized. Thus, purchase intention is a key player in the decision-making process.

Kotler and Keller (2016) describe consumer purchase intention as the desire to buy or choose a product, often based on past experiences. When people believe that the benefits of a product are greater than the effort or cost to get it, they are more likely to buy it. On the other hand, if they think the benefits are not worth the sacrifice, they are likely to skip the purchase and look for other options.

1.5.6 The Relationship of Brand Loyalty and Product Recall on Purchase Intention

This study explains the phenomenon by integrating a multi-faceted theoretical approach. The combinations between variables are examined in this study using both Cognitive Learning Theory and Behavioral Learning Theory. Behavioral learning theory explains the function of brand loyalty (X2) in influencing purchase intentions through learned associations. In contrast, Cognitive Learning Theory explains how consumers process and analyze negative news exposure (X1) towards their purchase intentions (Y). Assumptions from Classical Conditioning Theory also provide insight into how repeated exposure to recall-related stimuli affects how customers respond. These theories offer a thorough framework for examining how internal cognition, external stimuli, and habitual behavior interact.

According to Bandura (2009), Cognitive Learning Theory emphasizes the role of prior knowledge, experiences, and beliefs in shaping consumer responses to news exposure to product recalls (X1) and purchase intention (Y). Consumers actively analyze negative news, evaluate its trustworthiness, and integrate it with their brand knowledge. This idea claims that customers are logical thinkers who evaluate news based on its relevance and compatibility with their beliefs. Consumers who believe in the brand may dismiss product recall news as an abnormality while maintaining their purchase intention. Those who doubted the brand may interpret the news as confirmation of low quality, lowering their

purchase intention. Cognitive Learning Theory emphasizes consumer mental processing-based behavior shaping.

Behavioral Learning Theory stresses frequent exposure and reinforcement of environmental stimuli to shape consumer behavior. In this study, brand loyalty (X2) is learned through repeated favorable brand experiences. Loyalty leads to habitual buying, influenced by past reinforcements rather than cognitive thinking. When negative product recall news emerges, Behavioral Learning Theory struggles. Negative stimuli like recall news can disturb loyal consumers' good associations. If such news is frequent or powerful, it may damage the consumer-brand connection and lower purchase intention.

Behavioral and Cognitive Learning Theories contrast consumer behavior, especially toward unfavorable news. Cognitive Learning Theory states that consumers actively analyze and assess recall news, influencing their behavior with logical decision-making (Bijandi, 2011). In contrast, Behavioral Learning Theory states that frequent exposure to negative stimuli, such as recall news, causes automatic responses based on conditioning (Bandura, 2006). This contradiction is seen in how to recall news impacts brand-loyal consumers. Loyal customers may justify or minimize recall news based on positive past experiences, preserving their purchase intention. From a behavioral perspective, persistent brand connection with negative news may erode loyalty and lower purchase intention. This contrast complicates consumer behavior in response to negative stimuli.

Classical Conditioning Theory, a subset of Behavioral Learning Theory, provides additional assumptions that expand the research framework. It posits that consumer behavior can be influenced by creating associations between neutral stimuli and conditioned responses. In this context, the brand acts as a neutral stimulus, while news about product recalls serves as the unconditioned stimulus. When consumers are repeatedly exposed to recall news associated

with the brand, they may develop a conditioned response of reduced trust or diminished purchase intention.

The key assumption is that consistent brand pairing with negative stimuli (recall news) will lead to an automatic and emotional reaction, bypassing rational evaluation. However, if the brand successfully pairs itself with positive stimuli, such as effective recall management or corporate social responsibility initiatives, it can counteract negative conditioning. This process highlights the importance of strategic brand communication in managing consumer perceptions and maintaining purchase intention.

In short, combining Cognitive Learning Theory, Behavioral Learning Theory, and ideas from classical conditioning theory creates a well-rounded framework. This framework helps explain both external and internal factors that influence consumer behavior.

Previous research by Zephira et al. has shown a positive and significant effect of news exposure on IndiHome network disruptions on the tendency of customers to use IndiHome services (Zephira et al., 2021). In a separate study by Arafah, R., & Fadhilah, M. about a syrup product recall, despite BPOM's prudent choice, media exposure affects customer awareness of the medicine in distribution. Psychologically, product recalls decrease consumer confidence in the company's offerings (Arafah et al., 2023). The findings from prior research also validate the foundation of the first hypotheses in this study, namely:

H1: News exposure to product recalls has an influence on purchase intention.

According to Schiffman and Wisenblit (2019), brand loyalty refers to consumers' preference for consistently purchasing from the same brand for specific products or service categories. Kotler and Keller (2016) define consumer buying intention as a behavior in which consumers desire to purchase

or choose a product based on their experience in selecting, using, and consuming it, or even their aspiration to own it. Consumer loyalty can develop when buying intention is fulfilled, and consumers have a positive experience in their relationship with the brand.

One study found that "brand loyalty has a positive and significant influence on the purchasing intention of customers who buy and use products" (Hutabarat & Budiono, 2022). Additionally, Muhammad Naeem et al. found a strong relationship between product brand loyalty and purchase decisions in their study of automotive consumers. The findings indicated that individuals exhibiting higher product brand loyalty ratings also showed higher purchase decision scores (Muhammad Naeem et al., 2020). The findings of prior study also support the foundation of the second hypothesis, which asserts:

H2: Brand loyalty has an influence on purchase intention.

According to Cahya (2014), news is the result of oral or written reports derived from real, everyday life. As a form of reporting, news must provide information on the latest and most relevant events, presented in a way that is both important and engaging for readers. A product recall represents a major crisis for an industry, potentially harming brand integrity, company reputation, and profitability (Diredja, 2013). In such a crisis, immediate brand action is necessary to maintain consumer purchase intention for the product.

Rahman et al. (2024) proved that testing dimensions of brand personality reveal a positive correlation between brand loyalty and repurchase intention, which supports the idea of a continuous sequence supporting this relationship. Another Previous research has stated that news exposure and brand loyalty positively and significantly influence purchase intention (Hutabarat & Budiono, 2022; Zephira et al., 2021). So further research is needed that also tests hypotheses in the form of:

H3: News exposure to product recalls and brand loyalty jointly influence purchase intention.
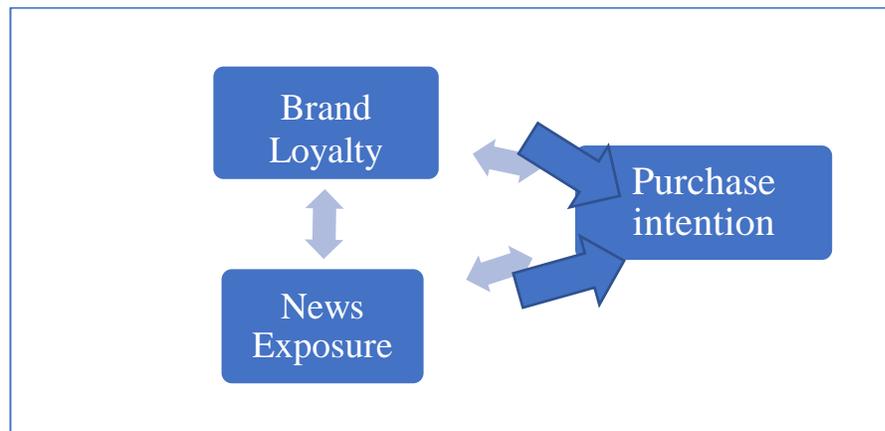
1.6 Hypothesis

Figure 1.3 Hypothesis

Hence, based on the aforementioned premises there are three hypothesis:

H1: News exposure to product recalls has an influence on purchase intention.
H2: Brand loyalty has an influence on purchase intention.
H3: News exposure to product recalls and brand loyalty jointly influence purchase intention.

1.7 Conceptual Definition

1.7.1 News exposure on product recall

According to Gussman et al, (2019) News exposure is defined as the circumstance in which an individual encounters media content, that involve activities such as listening, viewing, reading, or accessing messages broadcast by the media. According to (Cahya, 2014) news is the result of oral or written reports that originate from real, everyday life. Meanwhile, product recalls indicate a major crisis for an industry that can damage brand integrity, company reputation and company profits (Diredja, 2013). So news exposure related to product recalls

will greatly influence the brand because media exposure in the form of news can provide consumers with a new perspective on the brand. To measure the exposure felt by the audience, it can be seen through indicators such as frequency, duration and attention (Rakhmat, 2015).

1.7.2 Brand loyalty

Brand loyalty is defined as the extent to which a customer shows a positive attitude towards a brand, has a commitment to a particular brand and is interested in continuing to buy it in the future (Yulianti et al., 2019). The measurement of brand loyalty variables consists of indicators such as repeat purchase intention, self-stated retention, price insensitivity, resistance to counter persuasion, and likelihood of spreading positive word of mouth (Efendy, 2020).

1.7.3 Purchase intention

Purchase intention is a consumer behavior where consumers have a desire to buy or choose a product, based on experience in choosing, using, and consuming or even wanting a product (Kotler & Keller, 2016). Meanwhile, indicators to measure purchase intention include being interested in looking for information about the product, wanting to know about the product, interested in trying, considering buying, wanting to own the product (Kotler & Keller, 2016).

1.8 Operational Definition

1.8.1 News exposure of product recall

1. Frequency
2. Duration
3. Attention

1.8.2 Brand Loyalty

1. Repeat purchase intention
2. Self-stated retention

3. Price insensitivity
4. Resistance to counter persuasion
5. Likelihood of spreading positive word of mouth

1.8.3 Purchase Intention

1. Interested in finding information about products.
2. Want to know the product.
3. Interested in trying
4. Consider purchasing.

1.9 Research Methodology

1.9.1 Research Type

This research is using the explanatory research as a methodology employed to explore the underlying causes of a phenomena, with the aim of enhancing researchers' understanding of a given subject matter, clarifying the reasons for the occurrence of the phenomenon, and making predictions about future occurrences. The purpose of this study is to explicate the relationship between brand loyalty (X1), news exposure of product recall (X2), and purchase intention (Y) by examining these three factors alone and in combination.

1.9.2 Population

The population for this research is defined by the following characteristics:

1. Individuals aged over 30 years.
2. Individuals who have been exposed to news regarding Honda's product recalls.
3. Individuals who are current Honda car users or owners

In this study, the target group consists of individuals over 30 years old who own a Honda car and have been exposed to the product recall case. The rationale for selecting this demographic is based on their financial stability, purchasing power,

and significance as decision-makers in the automotive market. Data from BPS (2024) indicates that the 30-55 age group represents the peak earning years and has high disposable income. Hence, this study focuses on individuals aged **30 and above**, as they **represent** the majority of Honda's target market.

1.9.3 Sampling

1.9.3.1 Sampling Technique

The chosen sampling strategy is non-probability sampling, specifically accidental sampling. This approach was selected due to the lack of available data on the exact number of individuals over 30 who have been exposed to news about the product recall. While this method has practical limitations, it allows for flexibility in data collection.

1.9.3.2 Sample Size

The sample specified in this study were 100 people. Roscoe (1975) proposed the rule of thumb to follow when determining sample size, which is that the number of participants in a questionnaire should be larger than 30 and less than 500.

1.10 Data Types and Sources

Using primary data, which is data that obtained directly from the respondents through an online survey.

1.11 Research Instrument and Data Collection Techniques

1.11.1 Instruments

This research uses online self-administered questionnaires as a data collection tool, A questionnaire is a collection of a list of several questions that are arranged systematically and must be filled by the respondent.

1.11.2 Data Collection Technique

The technique used is a self-administered online questionnaire that is by submitting a list of questions to be filled by respondents.

1.11.3 Data Processing

Three stages will be followed by the data used in this investigation and the data processing methods employed:

1) Editing

    Editing is the process of checking the answer that has been obtained from an online questionnaire that has been distributed and filled out by previous respondents. The purpose of this process no other is to find out whether the questionnaire has been filled out completely and anticipate any possibility of error.

2) Coding

    Coding uses numbers to categorize, classify, and distribute responses from respondents.

3) Tabulation

    Tabulation is the process of collecting and presenting data that has been coded.

1.11.4 Data Analysis Technique

Multiple linear regression is a statistical technique employed to describe the association between a dependent variable and two or more independent variables through the utilization of linear equations. The objective of multiple linear regression is to identify the most suitable values for the regression coefficients, which would result in the linear equation yielding the most accurate prediction for the dependent variable Y, given the known values of the independent variable X. Multiple linear regression solves a system of linear equations with a dependent variable and an independent variable using the regression coefficients, which are the coefficients in the equation.

1.12 Limitations

While this research provides insights of the impact of product recall news exposure and brand loyalty on consumer purchase intention, there are several limitations on this research that should be acknowledge:

a. This research use sample size of 100 respondents from Semarang and Jakarta. While it is sufficient to provide a preliminary analysis, greater statistical data could provide better insights to the research.

b. This research focuses primarily on two variables: news exposure and brand loyalty. Other potentially influential factors are not included.

c. This research conducted in quantitative approach with positivism paradigm which might oversimplify the complex phenomena. Had it been possible in the current research to combine both a qualitative and a quantitative approach, further insight may have been acquired into the reasons how purchase intention is influenced.