

# THE INFLUENCE OF BRAND IMAGE, PRICE, AND PRODUCT QUALITY ON PURCHASE DECISIONS (Empirical Study on Students of SMK Muhammadiyah 5 Kisaran)

Durahman Marpaung<sup>a\*)</sup>, Surya Bakti<sup>a\*)</sup>, Liza Saragih<sup>a\*)</sup>

<sup>a)</sup>STIE Muhammadiyah, Asahan, Indonesia

<sup>\*)</sup>Corresponding Author: [durahmanmarpaung1502@gmail.com](mailto:durahmanmarpaung1502@gmail.com)

**Article history:** received 06 January 2022; revised 29 January 2021; accepted 24 February 2022

DOI: <https://doi.org/10.33751/jhss.v6i1.5123>

**Abstract.** The purpose of the study was to analyze the effect of Brand Image, Price and Product Quality on Consumer Purchase Decisions on OPPO Smartphones, especially Students of SMK Muhammadiyah 5 Kisaran. The method used is descriptive associative with a quantitative approach. The sample used in this study amounted to 90 respondents consisting of students of SMK Muhammadiyah 5 Kisaran. The results show that Brand Image, Price and Product Quality on Purchase Decisions simultaneously have a significant effect on purchasing decisions, but partially only product quality has no significant effect on purchasing decisions.

**Keywords:** Brand Image, Price, Product Quality, Purchase Decision

## I. INTRODUCTION

The development of technology, information and communication that is growing rapidly makes every individual compelled to have a tool that is able to meet the needs of accessing these advances in technology, information, and communication, one of which is by using a mobile phone. At the beginning of its appearance, the cellphone was a telephone-based communication tool that could be carried everywhere with a size that was quite large and impractical like today's cellphones. Along with the development of the times, more and more people are using cellphones not only as a lifestyle but has become a necessity that can not be bargained anymore. Currently, it is not only one piece that is owned by each individual, sometimes one person can use two or more cellphones whose functions are separated by the individual on each cellphone they have. Because of that basis, every mobile phone manufacturer is competing to create and produce communication tools whose functions are not only for communication tools but include the development of the digital world which is what human needs today.

Smartphones are one of the needs of modern society today to support all their current activities. This has become a special concern for electronic companies so that various smartphone brands have sprung up. The more advanced information technology and the standard of living of the community have resulted in increasing public demands for the quality of services and products used. The need for smartphones has become a necessity that is considered important for some of today's modern society. This phenomenon supports the emergence of many smartphones that offer their products to meet people's needs for technology in terms of communication. The purpose of this study is to determine the influence of brand image, price and

product quality partially and simultaneously in the students of SMK Muhammadiyah 5 Kisaran.

By making product quality the main attribute in marketing products, Oppo is trying to penetrate and maintain their market share, of course, by incorporating advanced and up-to-date features to match consumer expectations for a smartphone product that matches their expectations. Product quality is an important concern for companies in creating a product. Quality products are the main criteria for consumers in choosing the products offered by the company. The company is always able to maintain and improve product quality in order to meet consumer desires. With quality products, the company can compete with competitors in controlling market share. Paying attention to quality will have a positive impact on the business in two ways, namely the impact on production costs and the impact on revenue.

By paying attention to product quality, the company's goal to obtain optimal profits can be fulfilled while at the same time meeting consumer demands for quality products and competitive prices. Quality control activities can help companies maintain and improve the quality of their products by controlling the level of product damage to the best achievement by making continuous improvements. In addition to product quality, of course there are other supports that can attract consumers to decide to buy a product, one of which is a price that is in accordance with the quality of the product and also in accordance with their expectations of the value obtained from a product. Pricing is one of the most important decisions in global marketing.

Price is the only element of the marketing mix that provides revenue for marketing, while the other elements require large amounts of money. In any country, there are three main factors that determine price limits. The first factor is the cost of the product which determines the floor price or minimum price. Although the price can be set lower than the

base price, generally there are only a handful of companies that can afford to do so in the long term. Not many companies are willing to lose continuously, especially if only a few types of products are produced. Exceptions occur when companies receive subsidies from the government to supply strategic products, public facilities, social services, and the like. The second factor is the price of equivalent products made by competitors which determines the maximum price or upper limit. International trade and global competition almost always depress domestic firms' prices. Meanwhile, the third factor is the optimum price which is a function of demand for the product which is determined by the willingness and ability of customers to buy. Another factor that adds to the complexity of global pricing is the rapidly changing dynamics of global markets and the distortions and inaccuracies in most information about demand. The availability of accurate and valid data is often a serious problem in most developing countries.

These three factors must be able to compete with the many smartphone brands circulating in Indonesia, because with product quality and prices that match the value obtained by consumers, it will boost the number of sales and expand market share for these smartphone products. The purchase decision is a decision as the possession of an action from two or more alternative choices. Everyone must have considered something before making a buying decision. Whether the product to be purchased is in accordance with his needs or desires. Then the product to be purchased is in accordance with his condition and the costs needed to get a desired product. Sometimes people don't consider things before making a purchase. This is because people are only interested in the physical form of the product.

#### *The Influence of Brand Image on Purchase Decision*

Brand image is the impression created in the minds of customers on behalf of the company formed on a product, and a good brand image will be able to influence customer purchasing decisions [1]. In the competition to get new customers and maintain loyal customers, the brand image must be able to be implanted by the company because the brand image describes the performance and service quality of the company. Brand image is the customer's perception of a product on the market, forming a memory that the brand can meet their needs and expectations or not. So based on the description that the brand image perceived by customers will change the customer's mindset in determining purchasing decisions, there is even an influence with a strong and positive brand image in the minds of customers, even though in a period the brand disappoints customers, customers will still make purchases at the same time. The brand because of the strong positive image of the brand [3]. The results of the study [4] conclude from the results of his research that brand image has a positive and significant effect on purchasing decisions, so that the description provides the following assumptions:

**H1:** Brand image has a significant effect on purchasing decisions

#### *Influence of Price on Purchase Decision*

Price is an element of the marketing mix that generates revenue, other elements generate costs, price can also communicate the intended value positioning of the company's product or brand to the market [5]. There are five core marketing concepts in creating customer purchasing decisions, including understanding needs, wants, and demands, market and product offerings, customer value and satisfaction, exchanges and relationships, exchanges and markets [6]. Purchasing decision is the behavior of determining a product to be purchased based on need recognition, product introduction, product information search, alternative evaluation. From the description above, it can be explained that the suitability of the price offered by marketers to customers will shape the customer's perception of the suitability of the price offered for the product, so that with this perception, the purchase decision will be the final consideration of the customer for the product offered [7]. positive and significant to the purchase decision [8], so it is assumed that the hypotheses:

**H2:** Price has a significant effect on purchasing decisions

#### *The Influence of Product Quality on Purchase Decisions*

Product quality depends on the customer's perception of (1) Compliance with requirements or demands. (2) Compliance with requirements or demands. (3) Suitability for use. (4) Continuous improvement or improvement. (5) Free from damage or defects. (5) Fulfillment of customer needs from the beginning and every time. (6) Doing things right from the start. (7) Something that can make customers happy [9]. Product quality can be measured by (1) Shape. The shape of a product can include the size, shape, or physical structure of the product. (3) Features. Product features that complement the basic functions of a product. (4) Adjustment. Marketers can differentiate products by tailoring them to individual preferences. (5) Performance Quality. The degree to which the main characteristics of the product operate. Quality becomes an increasingly important dimension for differentiation when companies adopt a value model and deliver higher quality for less money. (6) Quality of Conformity. The degree to which all units produced are identical and meet the promised specifications. (7) Resilience. Is a measure of the product's expected operating life under normal or stressful conditions, is a valuable attribute for certain products. (8) Reliability. A measure of the probability that the product will not experience damage or failure within a certain period of time. (9) Ease of Repair. A measure of the ease with which a product can be repaired when the product is malfunctioning or failing. (10) Style. Describe the appearance and taste of the product to the buyer. (10) Design. Is the totality of features that affect the look, feel and function of a product based on customer requirements. The formation of these product quality aspects will shape customer perceptions of the quality of a product, where customers carry out a series of processes starting from the customer expressing his desire for the product, and searching for information on the product and evaluating how well the comparison of his choices is to answer his needs

and lead to purchase decisions [5]. From these descriptions, it can be explained that if a product is perceived as having the appropriate quality expected by the customer, then the purchase decision is an easy thing to be determined by the customer. Product quality has a positive and significant effect on purchasing decisions [10], so the research hypothesis is assumed:

**H3:** Product quality has a significant effect on purchasing decisions

*The influence of brand image, price and product quality simultaneously on purchasing decisions*

There are five core marketing concepts in creating customer purchasing decisions, including understanding needs, wants, and demands, market and product offerings, customer value and satisfaction, exchanges and relationships, exchanges and markets [6]. From this theory, it can be concluded that the purchase decision will be a decision from the customer if the fulfillment of customer value is based on the brand image, the suitability of the price with the quality and the quality of the product that is the superior product. Brand image, price and product quality simultaneously have a significant effect on purchasing decisions [11]. So it is assumed that the research hypothesis:

**H4:** Brand image, price and product quality simultaneously have a significant effect on purchasing decisions.

**II. RESEARCH METHODS**

This research is descriptive associative research with quantitative approach. Where will be conducted an analysis of the influence between independent variables in influencing the dependent variable. The unit of analysis in this study was the students of SMK 5 Muhamaddiyah Kisaran with a sample of 90 respondents. The test tool used in answering the problem formulation is multiple linear regression analysis with the regression equation is  $Y = a + b_1x_1 + b_2x_2 + b_3x_3$ .

**III. RESULTS AND DISCUSSION**

*A. Results*

Multiple regression analysis was carried out to analyze the effect of brand image (X1), Price (X2) and Product Quality (X3) on purchasing decisions either partially or simultaneously in answering the predetermined problem formulation, following the results of multiple regression analysis calculations with the help of the IBM SPSS program.

Table 1. Multiple Regression Analysis Output

Model	Unstandardized		Standardized	t	Sig.
	B	Std. Error	B		
C	-0.071	1.609		-0.044	0.965
X1	0.422	0.206	0.278	2.055	0.043
X2	0.562	0.173	0.434	3.247	0.002
X3	0.085	0.195	0.069	0.433	0.666

Table 2. Simultaneous F Test

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	79,405	3	264.684	33,258	.000b
Residual	69,857	86	8.123		
Total	149,262	89			

Table 3. Coefficient of Determination

R	R Square	Adjusted R Square
0.729	0.532	0.516

From table 1 it is known that:

a : -0.071

b1 : 0.422

b2 : 0.562

b3 : 0.085

KD : 0,532

So that the regression equation is found

$$Y = -0.071 + 0.422(X_1) + 0.562(X_2) + 0.085(X_3)$$

*The Influence of Brand Image on Purchase Decision*

The results of the analysis show that the regression coefficient of the brand image is 0.422. This value means that if the brand image is increased by 1 unit, it will increase purchasing decisions by 0.422. The results of the significance test show a probability value of 0.043 < 0.05, meaning that brand image has a significant effect on purchasing decisions and is included in the acceptance category of H1 and rejects H0.

*Influence of Price on Purchase Decision*

The results of the analysis show a price regression coefficient of 0.563 which means that if the price is increased by 1 unit, the purchasing decision will increase by 0.562. The results of the significance test show that the probability value of 0.002 < 0.05 means that the price has a significant effect on purchasing decisions and is included in the category of acceptance of H1 and rejection of H0.

*The Influence of Product Quality on Purchase Decisions*

The results of the analysis show that the regression coefficient of product quality is 0.085, which means that if the product quality is increased by 1 unit, the purchasing decision will increase by 0.085. The results of the significance test show a probability value of 0.666 > 0.05 meaning that product quality has no significant effect on purchasing decisions and falls into the category of rejection of H3 and acceptance of H0.

*Effect of Price, Brand Image and Product Quality*

The results of the analysis show the regression equation  $Y = -0.071 + 0.422(X_1) + 0.562(X_2) + 0.085(X_3)$  which means that if simultaneously the brand image, price and product quality are increased by one unit, the purchasing decision will increase by 0.998. The results of the simultaneous significance test in table 2 show a probability value of 0.000 < 0.05, which means that brand image, price and product quality simultaneously have a significant effect

on purchasing decisions and enter the category of acceptance of H4 and rejection of H0. The results of the determination test in table 3 show a coefficient value of 0.516 which means that brand image, price and product quality simultaneously contribute to creating purchasing decisions by 51.6% and the remaining 48.4% is influenced by other factors not examined..

### B. Discussion

#### *The Influence of Brand Image on Purchase Decision*

The results of the analysis show that brand image has a positive and significant effect on purchasing decisions. This illustrates that currently Oppo has a good image in the minds of customers of SMK Muhammadiyah 5 Kisaran students, the formation of the image in the minds of customers is based on Brand identity which makes Oppo easy to recognize, Brand Personality which makes Oppo give a perception as a classy product, Brand Association which reflects Customers' preference for the Oppo brand, Brand Attitude and Behavior which describes customers assuming positive things about the Oppo brand because they are accustomed to using the brand and Brand Benefit and Competence where at this stage the customer assumes that Oppo has superior service quality compared to competing brands. The results of this study support the theory which states that brand image is a description of consumer associations and beliefs about a particular brand [9]. Which means that if the customer has been convinced of a brand for certain considerations, then the purchase decision will be the final decision of the customer after believing in the brand. The results of this study support the results of previous studies which concluded that brand image has a positive and significant effect on purchasing decisions [8].

#### *Influence of Price on Purchase Decision*

The results of the analysis conclude that the price has a positive and significant effect on purchasing decisions. These results illustrate the occurrence of price conformity with perceived quality compared to customers against the prices offered by marketers for Oppo products. So that the perceived suitability will form a purchase decision from customers who consider that the price offered meets the aspects of customer expectations for a product. As the theory put forward [5] that a company must set a price according to the value given and understood by the customer. If the price turns out to be higher than the value received by the customer, then it is likely that the company will fail to make a profit. The results of this study support the results of previous studies which state that price has a significant effect on purchasing decisions [8].

#### *The Influence of Product Quality on Purchase Decisions*

The results showed that product quality had no significant effect on purchasing decisions. This illustrates that students of SMK Muhammadiyah 5 Kisaran do not care about product quality in considering purchasing Oppo, but rather to brand image and price, so that whatever product quality from Oppo is as long as the price is affordable they

will still make purchases of Oppo products because in their minds they have embedded positive image of Oppo products. This result contradicts the results of previous studies which stated that product quality had a significant effect on purchasing decisions [10].

#### *The Influence of Brand Image, Price and Product Quality on Purchase Decisions*

The results showed that simultaneously brand image, price and product quality had a significant effect on purchasing decisions. These results illustrate that the brand image has been well developed in the minds of SMK Muhammadiyah 5 Kisaran students by considering the Brand Association which reflects the customer's preference for the Oppo brand, Brand Attitude and Behavior which describes the customers assuming positive things about the Oppo brand because they are used to using the brand, and Brand Benefit and Competence where at this stage the customer assumes that Oppo has superior service quality compared to competing brands and the price is considered to be able to adjust to the purchasing ability of SMK Muhammadiyah 5 Kisaran students. These two aspects can be the reason why they decide to make a purchase on Oppo products without referring to the perceived quality of the product. The results of this study are in line with the results of previous studies which concluded that brand image, price and product quality simultaneously have a significant effect on purchasing decisions [11].

## IV. CONCLUSION

The results of the study concluded that brand image had a positive and significant effect on purchasing decisions for Oppo products among students of SMK Muhammadiyah 5 Kisaran. The results of the study concluded that price had a positive and significant effect on purchasing decisions for Oppo products among SMK 5 Kisaran students. The results of the study conclude that the price has no significant effect on purchasing decisions Oppo products among 5th range SMK students. The results of the study concluded that simultaneously brand image, price and product quality had a positive effect on purchasing decisions for Oppo products among SMK 5 Kisaran students.

## REFERENCES

- [1] Amelia, D., Rasti, K., Simatupang, N., Sinuraya, B J & Rahmat. "Pengaruh harga, citra merek dan kualitas pelayanan terhadap kepuasan pelanggan JNE Cabang Medan. *Jurnal manajemen*, Vol 1, No. 1; pp. 1-7. 2021
- [2] Setiawan, E. "Pengaruh citra merek, kualitas produk, dan persepsi harga terhadap keputusan menggunakan jasa kurir JNE, agen Jasafa Jatiasih, Bekasi, Jawa Barat", *Jurnal transparansi*, Vol. 2, No. 2; pp. 30-46. 2018

- [3] Wiguna, E S & Nurmahdi, A. “Analisis kualitas pelayanan, citra merek dan harga terhadap keputusan pembelian. *Jurnal ekonomi pemasaran, Vol. 1, No. 1; pp. 20-28.* 2019.
- [4] Dewi, A F., Hidayat, W dan Listyorini, S. “Pengaruh kualitas produk, promosi da citra merek terhadap keputusan pembelian rokok Marlboro (Studi kasus pada perempuan perokok di Kecamatan Tembalang Semarang”. *Journal of sosial political, Vol. 1, No. 1; pp. 1-8.* 2014.
- [5] Kotler, P dan Keller, K L. *Manajemen pemasaran, Jilid Kedua.* Jakarta: Erlangga. 2016
- [6] Kotler, P dan Armstrong, G. *Principles Of Marketing, Edisi 14.* New Jersey: Prentice-Hall Published. 2016
- [7] Katrin, I L., Setyorini, H D., Masharyono. “Pengaruh promosi terhadap keputusan pembelian di Restoran Javana Bistro Bandung”. *Jurnal ekonomi dan bisnis,, Vol. 5, No. 1; pp. 62-66.* 2018
- [8] Kusumawati, E N dan Hariyadi, G T. “Pengaruh kualitas produk, promosi, citra merek, harga dan gaya hidup terhadap keputusan pembelian rokok Sampoerna A Mild di Semarang”. *Dokumen karya ilmiah:, Vol. 1, No.1; pp. 7-14.* 2016
- [9] Tjiptono, F. *Service quality & satisfaction.* Yogyakarta: Andi Offset. 2016
- [10] Hutahuruk, M R. Keterterapan bauran pemasaran 4C pada keputusan konsumen untuk memilih kafe *outdoor* yang dimoderasi oleh perilaku konsumen dalam situasi pandemi Covid-19. *Jurnal inosa, Vol. 2, No. 2; pp. 80-91.* 2020.
- [11] Bintoro., Yuniawan, A dan Sukresna, I.M. Pengaruh komunikasi pemasaran, kepercayaan merek dan ekuitas merek terhadap keputusan pembelian. *Jurnal sains pemasaran Indonesia, Vol. 15, No. 1; pp. 24-33.* 2016.