The Influence of Promotions on Purchasing Decisions with Brand Image as an Intervening Variable in Chatime Superindo Kedungmundu Products

Endang Dwi Mulyani[1], Muchammad Rully Sjahirul Alim[2]
Faculty of Economics and Business, Muhammadiyah University of Semarang
Jl. Kedungmundu Raya, Kedungmundu, Tembalang, Semarang City, Indonesia
Correspondence author: dwiendang893@gmail.com

ARTICLE INFORMATION

ABSTRACT

In the current era of globalization, competition in the business world is very tight. Sales of food and beverages or food industry products are estimated to grow by 5-7% during Ramadhan in 2023. According to the databox survey, the highest sales value by 10 restaurants in Indonesia, especially the Chatime brand, is ranked seventh in Indonesia. This research aims to determine the influence of promotions on purchasing decisions and brand image for Chatime Superindo Kedungmundu products. This research used an accidental sampling technique with a sample size of 100 respondents. The method used in this research is the PLS (Partial Least Square) method using smartPLS software version 4.1. The results of this research show that there is a positive and significant influence between promotion on purchasing decisions through the brand image of Chatime Superindo Kedungmundu products.
Keywords: Promotion, Purchase Decision, Brand Image

INTRODUCTION

In the current era of globalization, competition in the business world is very fierce. The reason is, the large number of business innovations has resulted in entrepreneurs having to look for marketing strategies that are different from their competitors (Maulana, 2021). Finally, the number of competing brands and products on the market has become very large, so consumers can choose products with many variants that suit their needs. Sales of food and beverages or food industry products are estimated to grow by 5-7% during Ramadan in 2023. Growth in the food and beverage industry is expected to continue to grow until the end of the year. Director of Agriculture at the Ministry of Industry or Ministry of Industry, Putu Juli Ardika, said that the growth rate of the food and beverage industry this year has increased significantly. This increase occurred after the Covid-19 pandemic ended. Food and beverage growth this year, especially ahead of Ramadhan, is very good, with predictions that Mamin believes could increase between 5-7%, and could even increase at the end of the year (Mutu, 2023).

Culinary trends never stop innovating. In recent years, many types of modern drinks have appeared in society which are very popular, especially among young people. Boba drinks originate from Taiwan and are called zenzhu naicha or milk tea with tapioca balls, while bubble tea is a type of tea, milk and boba drink that usually uses black tea (Aditya & Prodjo, 2022). This industry is creating new innovations to differentiate itself from similar competitors by presenting various menus, as well as looking for other alternatives so that the consumption pattern of soft drinks changes to soft drinks that contain vitamins so they are healthier for the body.

The Boba drink business began to enter the world of food and beverages in Indonesia around the beginning of 2011. Several types of outlets selling Boba drinks include Chatime, Share Tea, Gulu-Gulu, Xinf Fu Tang, and many other outlets. One of the outlets that is a pioneer in selling Boba drinks is Chatime. One of the Chatime branches in Semarang which is quite busy is Chatime Superindo Kedungmundu, located Jl. Kedungmundu No.7, Kedungmundu, Kec. Tembalang, Semarang City, Central Java 50273. Chatime offers various food products and goods. The bandling menu is one way to attract customers, namely Chatime Boba with Toppoki or other menus. The factors that can be compared when preparing and choosing a business strategy are consumer actions, such as purchasing decisions.

LITERATURE REVIEW

Purchasing decision
According to (Devi, 2019) the definition of a decision is a choice of action between several or more alternative options. According to (Devi, 2019) describes a process of problems that are known by buyers, guessing information about a particular product and brand then assessing some of them as needed to solve the problem, and directing this to a purchasing decision.
Purchase Decision Indicators
According to (Winasis, 2022) there are 3 indicators in determining purchasing decisions:
1. Steadiness in a product
2. Habits in buying products
3. Buy because you get recommendations from other people

Brand Image
According to (Daga, 2017), brand image is a consumer's response to a brand as a reflection of the brand associations that exist in the consumer's heart. Meanwhile,

according to (Daga, 2017), brand image is the views and beliefs that exist in consumers' minds, as a picture of the associations that exist in consumers' minds.
Brand Image Indicators
According to (Pandiangan et al, 2021), brand image can be seen from:
1. Advantages of brand association
2. Strength of brand association
3. Uniqueness of brand associations

Promotion
According to (Kotler & Armstrong, 2017) explains that promotions are tools or actions distributed by companies to provide reviews to consumers. According to (Anggraini et al, 2020) promotion is an effort in the character of the relationship between the seller and the customer obtained from appropriate information with the aim of improving previous consumer behavior and behavior so that they become familiar and accustomed to remembering the product.
Promotion indicators according to (Larika and Ekowati, 2020) below:
1. Advertising
2. Sales promotion
3. Personal selling
4. Public relations
5. Direct marketing

Relationship between variables
a. Promotion
Research conducted by (Armayani & Jatra, 2019) shows that promotional variables have a positive and significant effect on brand image. Promotions can have quite a big impact on a company.
b. Brand Image
Researchers (Larika and Ekowati, 2020) state that brand image has a positive impact on purchasing decisions. With this, it is hoped to build an attractive brand image that will encourage existing consumers to buy products more often, thereby increasing the company's sales volume.
c. Promotion, Brand Image, Purchasing decisions
Research by (Armayani & Jatra, 2019) shows that this promotion has a significant mediating impact on the influence of brand image on purchasing decisions for Samsung smartphone products in Denpasar City. Therefore, promotions carried out by Samsung smartphone products can have a greater impact on the brand perception of Samsung smartphone products in Denpasar City.

RESEARCH METHOD

Independent Variable (Independent)
According to (Sugiyono, 2022), independent variables or independent variables are variables that can be influenced or caused by dependent (bound) variables. Promotion (X1) is the independent variable used in this research.

Dependent Variable
According to (Sugiyono, 2022), a dependent variable or also called a dependent variable is a variable that is influenced or changed by the presence of an independent variable. Purchase decision (Y) is the dependent variable used in this research.

Mediation (Intervening) Variable
According to (Sugiyono, 2022), mediating variables or also called intervening variables are elements that theoretically have an impact on the phenomenon being studied, but

cannot be calculated or falsified. Brand image (Z) is the intermediary or intervening variable used in this research.

Population
 According to (Sugiyono, 2022) population is a generalized area consisting of objects that have certain quantities and characteristics that have been determined by researchers to be studied and then the final results are drawn. The population in this study is the population of Kedungmundu Village, Tembalang District with a total of 14,162 people with the condition of purchasing Chatime products at the Kedungmundu branch with a minimum of 2 purchases.

Sample
 According to (Sugiyono, 2022) explains that the sample is part of the quantity and characteristics possessed by the population. Based on calculations using the Slovin formula with a result of 99.59, the minimum sample size that must be used in this research is rounded up to 100 respondents.

Data collection technique
 This research uses data collection techniques with primary and secondary data sources. The approach to obtaining the data needed for this research is to distribute questionnaires to respondents. According to (Sugiyono, 2022) a questionnaire is a data collection technique by giving several written statements or questions to respondents for them to answer. The Likert scale can be used to measure questionnaire creation.
Questionnaires will be distributed to Chatime customers as respondents in this research. In this study, researchers used this technique to obtain data regarding promotions on purchasing decisions with brand image as mediation.

Data analysis method
In an effort to test hypotheses and achieve research objectives, data analysis needs to be carried out. This research uses structural equation modeling (SEM) data analysis techniques with a partial least squares (PLS) approach. Structural equation modeling (SEM) is a multivariate analysis technique that combines aspects of factor analysis and multiple regression which allows researchers to study several independent variables and dependent variables simultaneously, (Hamid & Anwar, 2019).

RESULTS

Description of Research Object
At this stage the researcher analyzed the results of consumer questionnaires for Chatime products with respondents who live in Kedungmundu Village, especially statements according to the research criteria. In approximately 1-2 months, researchers obtained demographic description information for 100 respondents. The questionnaire information obtained is gender, occupation, financial resources and monthly income.

Respondent Gender
Based on 100 respondents who entered, there were more women, half of the male respondents.

No	Gender	Number
1	Woman	65
2	Men	35
	Total	100

Source: data processed in 2024

Respondent's Occupation
The composition of jobs in this study contained 4 types of jobs, student/leaner, private sector employee, businessman, /POLRI/TNI. Pay attention to table 2 below:

No	Jobs	Total
1	Student/learner	81
2	Private sector employee	10
3	Businessman	5
4	PNS/POLRI/TNI	4
	Total	100

Source: data processed in 2024

Respondent's Source of Income
When viewed from a financial perspective, respondents were divided into 3, namely their own income, parents' (partially) and parents' (completely). Pay attention to table 3 below:

No	Financial Perspective	Total
1	Their own income	28
2	Parents' (partially)	30
3	Parents' (completely)	42
	Total	100

Source: data processed in 2024

Respondent's Income
Respondents in this study were divided into 5 income ranges, namely income below Rp. 500,000, Rp. 500,001 to Rp. 1,000,000, Rp. 1,000,001 to Rp. 1,500,000, Rp. 1,500,001 to Rp. 2,000,000, and income above Rp. 2,000,000. Pay attention to table 4 below:

No	Income Respondent's	Total
1	≤Rp. 500,000	32
2	Rp. 500,001 s/d Rp. 1,000,000	26
3	Rp. 1,000,001 s/d Rp. 2,000,000	20
4	Rp. >Rp. 2,000,000	22
	Total	100

Source: data processed in 2024

Measurement Model Test
Test the validity of indicators
Convergent Validity
An indicator is declared to be in accordance with the convergent validity value and has high validity if the outer loading factor value is > 0.70 according to (Hair et al, 2019).

	Promotion (X1)	Brand Image (Z)	Purchasing Decisions (Y)
P1	0.736		
P2	0.759		
P3	0.758		
P4	0.707		
P5	0.710		
BM1		0.751	
BM2		0.847	
BM3		0.784	
KP1			0.836
KP2			0.797
KP3			0.787

Source: SmartPLS Algorithm Output, 2024

Based on Table 5 above, the outer loading values obtained by all indicators are above 0.70, with a value range of 0.707–0.847.

Discriminant Validity

	Brand Image (Z)	Purchasing Decisions (Y)	Promotion (X1)
BM1	0.751	0.492	0.430
BM2	0.847	0.567	0.558
BM3	0.784	0.453	0.473
KP1	0.466	0.508	0.836
KP2	0.450	0.496	0.797
KP3	0.567	0.522	0.787
P1	0.437	0.736	0.471
P2	0.456	0.759	0.424
P3	0.542	0.758	0.412
P4	0.381	0.707	0.439
P5	0.504	0.710	0.556

Source: SmartPLS Algorithm Output, 2024

Table 6 above proves that the Cross Loading value of each indicator on its variable is higher than its relationship to the constructs of other variables.

Indicator Reliability Test

	Cronbach's alpha	*Composite reliability*
Brand Image (Z)	0.709	0.837
Purchasing Decisions (Y)	0.786	0.848
Promotion (X1)	0.733	0.854

Source: SmartPLS Algorithm Output, 2024

Table 7 above shows that the Cronbach's alpha and Composite reliability values for each variable meet the benchmark for research characteristics, namely above 0.70.

Inner Model Analysis
Coefficient of Determination (R2)
In general, the value of $R2$ is broken down into three parts, namely 0.75 in a strong position, 0.50 in a moderate position, and 0.25 in a weak position.

	R Square
Brand Image (Z)	0.406
Purchasing Decisions (Y)	0.476

Source: SmartPLS Algorithm Output, 2024

Table 8 proves that the coefficient of determination ($R2$) in this study for the Brand Image (Z) and Purchase Decision (Y) variables is included in the moderate category.

Path coefficients
Path coefficients can be said to be significant if the value of the t-statistics is greater than 1.96 or the resulting p-value is 0.05.

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
BM→KP	0.361	0.357	0.095	3.811	0.000
P→BM	0.637	0.647	0.057	11.136	0.000

| P→KP | 0.402 | 0.412 | 0.073 | 5.480 | 0.000 |

Source: SmartPLS Algorithm Output, 2024

Boothtrapping is used in table 9 showing the path coefficient results. Decision making is based on p-values compared with a margin of error of 5% (0.05), namely if p-values < 0.05 then the hypothesis is accepted. The influence of the relationship between variables is considered significant and the path coefficient is positive.

Indirect Influence Test (Intervening/Mediation)
Using the bootstrapping method is a step to assess the level of significance or probability of direct effects, indirect effects and total effects. The results of using the bootstripping method for evaluating indirect effects can be seen in table 10 below:

	Original sample (O)	Sample mean (M)	Starndard deviation (STDEV)	T statistics (|0/STDEV|)	P values
Promotion (X1) →Brand Image(Z) →Purchasing Decisions (Y)	0,230	0,232	0,068	3,362	0,001

Source: SmartPLS Algorithm Output, 2024

DISCUSSION

The influence of promotion on the brand image
Based on respondents' answers and statistical tests, it can be concluded that there is a significant relationship between Promotion (X1) and Brand Image (Z) regarding the purchase of Chatime Superindo Kedungmundu products. Furthermore, the t-statistic of 11.136 and p-values of 0.000 indicate that the relationship between promotion and brand image is statistically significant.
This conclusion is in line with other research (Armayani & Jatra, 2019), which explains that promotions have a positive and significant impact on brand image.

The Influence of Brand Image on Purchasing Decisions
The results of the analysis above showed that the t-statistic test results were 3.811 and p-values were 0.000. It can be said that the brand image variable has a significant impact on purchasing decisions. The brand image variable has a positive impact, meaning that if the brand image variable increases, the purchasing decision variable increases further. It can be concluded that the brand image variable has a direct impact on purchasing decisions.
This conclusion is in accordance with other research (Adabi, 2020) with results showing that the brand image variable has a regression coefficient of 0.140, meaning that for every increase in brand image by one unit, purchasing decisions will increase by 0.279 units.

The Effect of Promotions on Purchasing Decisions
From the analysis above, the results obtained from the t-statistical test show that the promotion variable has a calculated t value greater than the t-table, namely 5.480 > 1.96. It can be seen that the promotional variable has a significant impact on purchasing decisions. The promotion variable has a positive influence, meaning that if the promotion variable increases, the purchasing decision variable will increase. So it can be concluded that the promotional variable has a direct influence on purchasing decisions. This conclusion is in line with research (Magdalena & Sari, 2019), with the results showing that the promotion variable reaches a significance value of 0.000, this significant value is lower than alpha 0.05. It can be stated that promotions have a significant impact on purchasing decisions.

The Influence of Promotion on Purchasing Decisions through Brand Image on Chatime Superindo Kedungmundu products.

The indirect effect for the influence of promotions on purchasing decisions through brand image is 0.230 and the t-statistic value is 3.362, which is greater than the t-table (1.96) and the significance value is 0.001, this value is less than the alpha level of 0.05. So the brand image variable plays a good mediating or intervening role. Therefore, the brand image variable has a good role in mediating the influence of promotions on purchasing decisions.

This conclusion is in line with research (Budianto & Budiatmo, 2019) with results showing the value of the promotion variable on purchasing decisions through brand image at a t-statistic of 2.544 and p-values of 0.011.

CONCLUSION

Based on the results of hypothesis testing in research that has been studied, the following conclusions can be made by researchers regarding the influence of Promotion on Purchasing Decisions with Brand Image as an intervening variable in Chatime Superindo Kedungmundu products.

1. If the value produced by Outer Loadings is > 0.7, it means that the data used is valid. To prove it: Table 4.4 shows that the Outer Loadings value for each variable is greater than 0.7.
2. A good Cronbach's Alpha value is > 0.7. With evidence: This can be seen in table 4.8 Promotion (0.733), Brand Image (0.709), Purchase Decision (0.786), which proves that the Cronbach's Alpha value is greater than 0.7.
3. If the Composite Reliability (rho_c) value is > 0.7, it means that the item variable is reliable. With proof that: It can be seen in table 4.8 Promotion (0.854), Brand Image (0.837), Purchase Decision (0.848) which shows that the value of Composite Reliability is greater than 0.7.
4. The AVE value of a variable > 0.5 means that the requirements for good convergent validity have been met or shows that the construct can explain 50% or more of the item variations. To prove it: It can be seen in table 4.5 which shows that the value of AVE is greater than 0.5.
5. The t-statistic value of the three independent variables such as promotion is greater than 1.96 and the p-value is smaller than 0.05.

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