

The Influence of Price and Product Quality on Purchasing Decisions with Brand Image as an Intervening Variable (Study on Honda Motorcycle Consumer in Semarang City)

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ABSTRACT

This research was motivated by a phenomenon that was widely discussed by the public in mid-August 2023, in which there were complaints from the public regarding the case of the Esaf frame, namely the frame of a motorbike belonging to the Honda manufacturer which was said to rust easily so it quickly became porous and broke. So it can be formulated in this research that how consumers make decisions to purchase motorbikes amidst this phenomenon is based on price, product quality and brand image. This research uses quantitative methods using nonprobability sampling methods. In this research, the data source used is primary data with a statistical analysis tool, namely Smart PLS 4.0. The respondents in this study were 100 people who met the requirements as users and buyers of Honda motorbikes in Semarang City. The research results show that price has a positive influence on purchasing decisions, product quality has a positive influence on purchasing decisions, brand image has a positive influence on purchasing decisions, price has a positive influence on brand image, and product quality has a positive influence on brand image.

Keywords: Price, Product Quality, Brand Image, Purchasing Decisions, Intervening

INTRODUCTION

The growth of the automotive industry over several years has brought significant achievements to the country's economy. One of the main sectors of the Indonesian economy is the automotive sector in terms of import and export turnover. Indonesian manufacturers are known to have many advantages and superior quality in various types of motorbikes from various brands, with designs, advantages, and others that form new motorbike brands and have great features in them. Companies must implement strategies to face increasingly tight competition from the automotive sector, especially motorbikes. Companies need to provide the best benefits from their products to their customers to be able to capture the market and improve consumer purchasing decisions.

It was widely discussed by the public in mid-August 2023 regarding public complaints regarding the eSAF frame case, namely the motorbike frame belonging to the Honda manufacturer which was said to rust easily and break quickly. Honda is also trying to focus on consumer complaints and continues to try to provide repairs either through guarantees or withdrawal if indications are found that the product has failed or the frame is out of control.

A purchasing decision is a choice that consumers make regarding what product they will buy with the influence of many factors, including technology, politics, economics, price, culture, location, physical evidence, promotions, processes, and others. As a result, consumers' attitudes towards this information shape their decisions regarding what products they want to buy (Alma, 2011).

Price is something that influences consumers before they make a decision to make a purchase. Mistakes in setting prices can result in non-optimal sales of the product, which will lead to a decrease in market share and sales. So that companies are guided to be able to set selling prices appropriately and adjust their target market so that product sales and market share increase. Apart from the price factor, the quality of the product or service also influences consumer decisions in making a purchase. This is because quality is an important factor which also influences consumer decisions.

The next factor that also influences purchasing decisions is brand image. Brands *are* included as things that consumers look for when shopping, which is not limited to the products offered but also as a perception of the quality and status that consumers can obtain. By maintaining the reputation and brand image, a product is able to obtain high value from a consumer perspective, which will make the value of the company exceed the value of real assets.

The emergence of various motorbike brands can increase competition in the market, as stated by (Wijaya, 2019) that the market for *sport* and scooter motorbikes is decreasing due to consumer demand for more practicality. Because the system is automatic and easier to use compared to other types of motorbikes, the author observes that *automatic products* are more dominant among young people, especially women because they are considered easier to operate.

LITERATURE REVIEW

Buying Decision

Kotler and Keller (2016) explain that purchasing decisions are responses or interactions triggered by external stimuli or relationships. This includes the direct action of purchasing and utilizing the products the company offers. Kotler and Keller describe the purchasing

decision process as a series of steps followed by buyers, starting from identifying problems, searching for information, evaluating other alternatives, deciding to buy, to post-purchase actions. So it can be understood that this stage occurs even before the purchase is made and continues to have an impact in the long term.

Brand Image

Brands function to differentiate a product from other products. In consumers' minds, they have specific memories regarding a product, which is not just another product with similar functions and uses. The brand itself plays a very important aspect and is able to make a significant contribution to marketing success. Brands also play a role as the key to the success of a product, where a product that does not have a brand tends to only depend on luck in selling it.

Price

Price is a monetary value that consumers need to provide so that they can get the benefits of the product. It includes all the value that customers receive in exchange for owning or using the product (Kotler and Armstrong, 2012). Kotler teach that price is included as an element of *the marketing mix* that can provide revenue or income, whereas other elements actually result in costs.

Product quality

The American Society for Quality Control explains quality as a collection of properties and attributes of a product that reflect its capability to satisfy consumers' needs. Kotler and Armstrong (2016) explain that products include everything a company can offer to the market for consideration, use, ownership or consumption with the potential to fulfill a need or desire.

RESEARCH METHOD

Dependent variable

The dependent variable (Y) acts as the focus of an observation, which will gain influence or be the result of the existence of variable X (Sugiyono, 2014). In this study the dependent variable is Purchase Decision.

Independent Variable

The independent variable (X) plays a role in influencing or causing changes in the dependent variable (Y). In this case the independent variables are Price and Product Quality.

Moderator Variable (*Intervening Variable*)

The moderator variable (Z) will theoretically influence the ongoing relationship between variables X and Y, which means that variable Brand image in this case is applied as a Z variable.

Population

Population is a group of subjects and objects that have quantitative and qualitative characteristics that will be applied as the focus of research for analysis and conclusions drawn by researchers (Jasa et al., 2018). The population chosen in this case is consumers Honda motorbikes in the city of Semarang, with members or numbers that researchers do not know for certain.

Sample

Sugiyono (2013) as quoted by Laili Sofia Inayati (2017) explains that samples are basically part of the characteristics and numbers taken from a population. Then the research sample requirements will be determined through the use of *non-probability sampling*, using the Cochran formula (Sugiyono, 2019). Based on the calculation results, a sample of 100 respondents was chosen so that the number of samples was not below the previously determined minimum size of 97 respondents.

Method of collecting data

This method takes the form of data acquisition steps with the main aim of obtaining data, and to obtain this data and information, the method that researchers will use to obtain data requirements is in the form of a questionnaire. Through the use of a Likert scale according to the question with a division of 4 scores.

Analysis method

The tool used to carry out the analysis is Structural Equation Modeling (SEM). SEM itself is a statistical analysis method used to test complex simultaneous influences between variables in a model. *SmartPLS version 4* software, using *Partial Least Square (PLS)*. PLS itself is a technique from SEM which is renowned for its ability to test relationships between complex variables.

RESULTS

Respondent Description

The respondents that the researchers used in this case were 100 people, all of whom were obtained through the total number of questionnaires that had been distributed and met the criteria as research respondents. The details are as follows:

Table 1. Respondents by Gender

No	Gender	Frequency	Percentage
1.	Woman	66	66
2.	Man	34	34

Source: processed primary data, 2024

From the data in table 1, information is obtained that the female gender dominates in this study with a frequency of 66 people (66%).

Table 2. Respondents by Age

No	Age	Frequency	Percentage
1.	20 – 25 years	62	62
2.	26 – 31 years old	37	37
3.	>50 years	1	1

Source: processed primary data, 2024

From the data in table 2, information is obtained that the dominant age in this study is 20 - 25 years old with a frequency of 62 people (62%).

Table 3. Respondents by Type of Work

No	Work	Frequency	Percentage
1.	Student/i	53	53

2.	Government employees	14	14
3.	Private sector employee	25	25
4.	Businessman	8	8

Source: processed primary data, 2024

From the data in table 3, information is obtained that students dominate more in this research, namely with a frequency of 53 people (53%).

Table 4. Respondents Based on Income

No	Income	Frequency	Percentage
1.	< IDR 1,000,000	54	54
2.	IDR 1,000,000 – IDR 5,000,000	36	36
3.	> IDR 5,000,000	10	10

Source: processed primary data, 2024

From the data in table 4, information is obtained that the average income of respondents in this study is < IDR 1,000,000 with a frequency of 54 people (54%).

**Measurement Model / Outer Model Test
Convergent Validity**

Table 5. Outer Loadings Values

Variable	Indicator	Outer Loading	Information
Price (X1)	X1.1	0.703	<i>Valid</i>
	X1.2	0.838	<i>Valid</i>
	X1.3	0.824	<i>Valid</i>
Product Quality (X2)	X2.1	0,716	<i>Valid</i>
	X2.2	0,732	<i>Valid</i>
	X2.3	0,769	<i>Valid</i>
	X2.4	0,762	<i>Valid</i>
Purchasing Decision (Y)	Y1	0,764	<i>Valid</i>
	Y2	0,793	<i>Valid</i>
	Y3	0,802	<i>Valid</i>
	Y4	0.797	<i>Valid</i>
	Y5	0.708	<i>Valid</i>
Brand Image (Z)	Z1	0.827	<i>Valid</i>
	Z2	0.868	<i>Valid</i>
	Z3	0.847	<i>Valid</i>

Source: processed primary data, 2024

The results processed using *SmartPLS* in table 5 show that the outer model or correlation between constructs and variables has a value of > 0.70. Therefore, all indicators can be said to be *valid*

Discriminant Validity

Table 6. Average Variance Extracted (AVE) Value

Variable	Average Variance Extracted (AVE)	Information
Price	0.625	Valid
Product quality	0.555	Valid
Purchasing decision	0.598	Valid
Brand Image	0.718	Valid

Source: processed primary data, 2024

In accordance with the data in table 6, it was found that the AVE for price was 0.625 (> 0.50), product quality 0.555 (> 0.50), purchasing decisions 0.598 (> 0.50), and *brand image* 0.718 (> 0.50). This shows that each of the variables has *discriminant validity* in the good category.

Composite Reliability

Table 7. Composite Reliability Values

Variable	Composite Reliability	Information
Price	0.833	Reliable
Product quality	0.833	Reliable
Purchasing decision	0.881	Reliable
Brand Image	0.884	Reliable

Source: processed primary data, 2024

In accordance with Table 7, it was found that *Composite Reliability* for price was 0.833 (> 0.70), product quality was 0.833 (> 0.70), purchasing decisions were 0.881 (> 0.70), and *brand image* was 0.884 (> 0.70). This shows that all variables are included in the reliable category.

Cronbach's Alpha

Table 8. Cronbach's Alpha value

Variable	Cronbach's Alpha	Information
Price	0.703	Reliable
Product quality	0.733	Reliable
Purchasing decision	0.832	Reliable
Brand Image	0.803	Reliable

Source: processed primary data, 2024

According to Table 8, *Cronbach's Alpha* was found for price, namely 0.703 (> 0.70), product quality 0.733 (> 0.70), purchasing decisions 0.832 (> 0.70), and *brand image* 0.803 (> 0.70). This shows that each variable is included in the reliable category.

Test the Structural Model / Inner Model

R-Square Test

Table 9. R-Square Value

	R ²	R ² Adjusted
Purchasing decision	0.587	0.575
Brand Image	0.451	0.440

Source: processed primary data, 2024

Based on the data in table 9, it was found that the influence of price and product quality on purchasing decisions has a value of 0.587, which is in the medium category. Apart from that, the R- square value shows the influence of price and product quality on *brand image* of 0.451, also in the medium category.

F-Square Test

Table 10. F-Square Value

	F-Square
X1 – Y	0.168
X2 – Y	0.149
Z – Y	0.056
X1 – Z	0.163
X2 – Z	0.172

Source: processed primary data, 2024

Based on the data in table 10, the four hypotheses have a moderate influence because they are in the range 0.15 - 0.35, except for the influence of *brand image* on purchasing decisions which has a small influence because it is in the range 0.02 to 0.15.

Goodness of Fit Test (Q-Square)

$$\begin{aligned}
 Q^2 &= 1 - [(1 - R^2_1) \times (1 - R^2_2)] \\
 &= 1 - [(1 - 0.587) \times (1 - 0.451)] \\
 &= 1 - (0.419 \times 0.549) \\
 &= 1 - 0.230031 \\
 &= 0.77
 \end{aligned}$$

In accordance with this calculation, Q² with a value of 0.77 or 77%. This result indicates that 77% of the diversity of the data can be explained by the model, while the remaining 23% is explained by factors outside the research. So the model in this case can be said to have a relatively good GoF.

Hypothesis testing

The following is a table of data on the results of hypothesis testing in this research as follows:

Table 10. Hypothesis Testing Results

Path coefficient	Hypothesis	Big influence	T statistics	t-table	P Value	Information
Price -> Purchase Decision	H1	0.353	3,739	1,967	0,000	Accepted
Product Quality -> Purchase Decision	H2	0.333	3,221	1,967	0.001	Accepted
<i>Brand Image</i> -> Purchase Decision	H3	0.206	2,229	1,967	0.026	Accepted
Price -> <i>Brand Image</i> Product	H4	0.371	3,318	1,967	0.001	Accepted
Product Quality -> <i>Brand Image</i>	H5	0.382	3,817	1,967	0,000	Accepted

Source: processed primary data, 2024

In table 10, all hypotheses produce a P-value <0.05 so it can be said that overall the hypothesis is accepted.

DISCUSSION

The Influence of Price on Purchasing Decisions

The results of the analysis test show that the path coefficient has a large influence of 0.353 with a P value of $0.000 < 0.05$ and a t-statistic of $3.739 > 1.967$. This means that price influences purchasing decisions positively and significantly. Apart from the statistical factors that have been proven, this is in line with the number of respondents who agree with the indicators in the research questionnaire. The direction of the positive relationship that is built indicates that if the price is in line with the quality offered, it will provide satisfaction to consumers and increase consumer attraction to buy Honda motorbike products.

The Influence of Product Quality on Purchasing Decisions

The results of the analysis test show that the path coefficient has a large influence of 0.333 with a P value of $0.001 < 0.05$ and a t-statistic of $3.221 > 1.967$. This means that product quality influences purchasing decisions positively and significantly. This indicates that to achieve the desired product quality, excellence in terms of quality standardization is required. Marketers who do not pay attention to the quality of the products offered will suffer consumer disloyalty so that product sales will tend to decline.

The Influence of Brand Image on Purchase Decisions

The results of the analysis test show that the path coefficient has a large influence of 0.206 with a P value of $0.026 < 0.05$ and a t-statistic of $2.229 > 1.967$. This means that *brand image* influences purchasing decisions positively and significantly. This indicates that a brand that is known to buyers will arouse their interest in making purchasing decisions. The impact of a product symbol provides meaning in decision making because *brand image* is important in advertising and has an influence in deciding to buy. So *brand image* is an important factor in making decisions to purchase a Honda motorbike in Semarang City.

The Influence of Price on Brand Image

The results of the analysis test show that the path coefficient has a large influence of 0.371 with a P value of $0.001 < 0.05$ and a t-statistic of $3.318 > 1.967$. This means that price influences *brand image* positively and significantly. This indicates that consumers, before buying a product, apart from paying attention to affordable prices, must also pay attention to *the brand image* of the product they want to buy. The more suitable the price and the better *the brand image* of the product being offered, the greater the number of purchases of that product.

The Influence of Product Quality on Brand Image

The results of the analysis test show that the path coefficient has a large influence of 0.382 with a P value of $0.000 < 0.05$ and a t-statistic of $3.817 > 1.967$. This means that quality influences *brand image* positively and significantly. This indicates that when they want to buy a product, consumers will consider the good quality of the product and pay attention to *the brand image* of what they are going to buy.

CONCLUSION

Based on the results obtained from the research, conclusions can then be given in the form of :

1. Hypothesis 1 ($X_1 \rightarrow Y$) Price has a positive and significant impact on the decision to purchase a Honda motorbike in Semarang City. Which provides the fact that consumers will consider the price of a Honda motorbike in relation to their budget, the features they need, and the value they get from the purchase.
2. Hypothesis 2 ($X_2 \rightarrow Y$) Product quality has a positive and significant impact on purchasing decisions for Honda motorbikes in Semarang City. Which gives the fact that consumers tend to look for Honda motorbikes because of their good reputation in terms of quality and durability. Good quality will give consumers confidence that they will get a reliable and quality product.
3. Hypothesis 3 ($Z \rightarrow Y$) *Brand image* has a positive and significant impact on purchasing decisions for Honda motorbikes in Semarang City. Which provides the fact that Honda is known as a brand associated with innovation, quality and reliability. This positive image influences consumer perceptions about the value of Honda products and can act as a major factor that influences purchasing decisions.
4. Hypothesis 4 ($X_1 \rightarrow Z$) Price has a positive and significant impact on *the brand image* of Honda motorbikes in Semarang City. Which shows the fact that even though Honda is known as a quality brand with a good reputation, its excessively high prices can have an impact on consumers' perceptions of the accessibility and value of the brand. So it can influence Honda's image as a brand that offers value commensurate with its quality.
5. Hypothesis 5 ($X_2 \rightarrow Z$) Product quality has a positive and significant impact on *the brand image* of Honda motorbikes in Semarang City. Which provides the fact that Honda is known for its reliable, durable and innovative products. Consistency in providing good quality builds customer trust, which in turn enhances Honda's brand image as a reliable and prestigious choice in the motorbike market.

SUGGESTIONS

Then, according to the conclusions obtained, the suggestions that researchers can give to companies and for future research are:

1. In the questionnaire results in the Product Quality variable with the statement "Honda motorbikes have a strong physical appeal", the *Brand Image variable* with the statement "The Honda motorbike brand is attractive in terms of product attributes" many respondents gave answers that disagreed. So it can be concluded that not all Honda motorbike consumers decide to buy a motorbike only based on the physical aspect, or when consumers want to buy a Honda motorbike, the appearance offered by Honda is marketed like motorbikes in general. Therefore, Honda must create better quality products and adapt to consumer appeal, such as conducting market research to get feedback from consumers to understand which aspects of the design are unattractive and which what they expect from a motorbike.
2. It is recommended that future research determine the sample and distribute the questionnaire in a more even and wider area throughout the Semarang City area. Thus, the area of conducting research is not limited to areas that only researchers know about.

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