The Influence of Brand Image and Price Perception on Buavita Purchasing Decisions at Alfamart Kemanggisan 2 Jakarta

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Abstract

This study aims to determine the effect of brand image and price perception on purchasing decisions of Buavita products at Alfamart Kemanggisan 2 Jakarta. This quantitative research method uses the population of Buavita consumers at Alfamart Kemanggisan 2 Jakarta in the last 3 months. The number of research samples was 99 people who were taken using the non-probability sampling method with purposive sampling technique. The data collection method was carried out through the distribution of conventional questionnaires and was measured using a Likert scale. The analysis used is Partial Least Square (PLS). The results of this study indicate that there is a significant influence between brand image and purchasing decisions as well as price perception and purchasing decisions of Buavita products at Alfamart Kemanggisan 2 Jakarta.

Keywords: Purchase Decision; Brand Image; Price Perception; Partial Least Square

INTRODUCTION

The impact of progress over time and the era of globalization has triggered modernization in the fields of information, technology and the economy. Rapid economic growth requires companies to compete in a global context. Based on data from the Central Statistics Agency (BPS), national public consumption expenditure experienced significant growth in the second quarter of 2022. This growth reached 2.42% quarter to quarter (q-to-q) compared to the previous quarter, and 5.51% year on year (yoy) compared to the same period in the previous year. Of the total consumption expenditure reaching IDR 2,350 trillion, around 42% or IDR 1,056.20 trillion was used for food and drinks.

As evidenced by data from Riskesdas in 2022, as many as 61.3% of respondents consumed sweet drinks more than once per day. Then 30.2% of respondents consumed sweet drinks in the range of 1-6 times per week, and only 8.5% of respondents consume it less than 3 times per month. With fruit juice being one of the drinks most frequently consumed by the public. Based on Top Brand Index data in the packaged fruit juice category, there are 4 brands that are the people's main choice with Buavita in first place, Floridina in second place, followed by Minute Maid, and in last position is Nutrisari. With the three parameters in *the Top Brand Index*, the first is top mind awareness, namely the first brand mentioned by the third respondent when they heard of a product category. The second parameter is last used, namely the brand that was last used or consumed by the respondent. And the third parameter is future intention, namely the brand that will be used or consumed in the future

As a market leader, Buavita has experienced quite a fluctuating sales pattern over the last 4 years with a percentage of 31.6% in 2020 and experienced an increase in sales of 7% in 2021, then a decrease in sales of 3.7% in 2022, and an increase in sales again up to 36.7%.

Furthermore, from sales data at Alfamart Kemanggisan 2 from October 2022 to May 2023, Buvaita experienced a decline in sales. Meanwhile, according to the 2021 Retail Rankings report released by YouGov 2022, Alfamart is the second largest retailer in Indonesia with a consumer score of 37.5 points, which can be concluded that even though Alfamart is a trusted place for people to shop for packaged sweet drink products, there are problems being experienced. Buavita, causing a decline in sales. On the other hand, in terms of price, Buavita occupies the most expensive position as a packaged fruit juice product compared to other products with a price of IDR 30,000 for 1 liter at Alfamart.

From the data above, it can be assumed that this decline could be caused by high competition between producers of packaged fruit juice drinks as well as considerations made by consumers. Consumers will look at various aspects of a product before deciding to make a purchase. Purchasing decisions are an important factor for a company's existence. Purchasing decisions are said to be low if they get a negative response from the market, whereas purchasing decisions are said to be high if a company gets a positive response from consumers in deciding to purchase products from a market. Several factors that influence purchasing decisions include *brand image* and price perceptions, thereby generating consumer interest in purchasing a particular product.

Brand image, according to Kotler and Keller (2012), is a series of consumer beliefs about a brand that creates inherent associations in their minds, becoming an important key in differentiating products from competitors. In this context, having and maintaining a good image is essential for a company, because a good brand image can complement identity, increase awareness, loyalty and a positive reputation. Ridhania (2021) also emphasized that brand image is an important factor in purchasing decisions, playing a role in communicating the functional value and brand personality to consumers, building trust in the brand. In addition, price perception, as a psychological factor in purchasing decisions, can influence consumer reactions to the price of a product. According to Campbell in Cockril and Goode (2010:368), price perception plays an important role in consumer reactions to the price of a product. Purchasing decisions are often influenced by price considerations, with many consumers tending to choose products with relatively low prices. However, it is important to remember that low prices do not always reflect good product quality. In this context, Buavita is an interesting example, considering that it has the highest price per milliliter in the packaged fruit juice industry. Thus, the company's good and trustworthy brand image and the highest prices are factors that influence consumer purchasing decisions, changing consumer perceptions by implying that product quality is reliable.

The aim of the research based on the background that has been explained is to find out whether Buavita's *brand image* and price perception influence consumer purchasing decisions.

RESEARCH METHODS

This research is of a quantitative type with the measuring instrument used to measure each research variable using a Likert scale. The research population is consumers who have purchased Buavita products at Alfamart Kemanggisan 2 Jakarta in the last 3 months, for the sampling method using *Non-probability sampling* with *purposive sampling technique*. So we got a sample of 99 people. In collecting research data, a questionnaire in the form of a Google Form was used, the link to which was provided conventionally via a QR scan at Alfamart Kemanggisan 2 Jakarta.

RESEARCH RESULTS AND DISCUSSION

Based on a total of 99 respondents, the majority of respondents came from the age range above 28 years, namely 54.5%, in the age range 18 - 22 years it was 22.3%, and the remaining 23.2% came from the age range 23 - 28 year . Meanwhile, in terms of gender, The number of respondents was dominated by women, namely 56 people or 56.6 % of the total respondents, then the number of male respondents was 43 people or if the percentage was 43.4%.

Table 1 Results of Respondents' Answers to Brand Image

Statement Score						
	1	2	3	4	5	Total
X1.1	1	1	11	34	52	99
X1.2	1	5	27	34	32	99
X1.3	1	1	7	33	57	99

Source: data processed 2023

a. The first *brand image* indicator is product *image* with a statement of Unilever's good reputation as a company producing Buavita, getting the highest result at a score of 5 with 52 people or 52.6% of respondents answering strongly agreeing with the statement given ; b. The second *brand image* indicator is *user image* with the statement that Buavita is unique compared to other similar products, getting the highest result at a score of 4 with 34 people or 34.3% of respondents answering agreeing with the statement given ; c. The third *brand image* indicator is *product* image with the statement that Buavita is a brand that is easy to remember, matches its quality, and is trustworthy, getting the highest result at a score of 5 with 57 people or 57.6% of respondents answering strongly agreeing with the statement given. .

Table 2 Results of Respondents' Answers Regarding Price Perception

Statement Score						
	1	2	3	4	5	Total
X1.1	1	4	21	40	33	99
X1.2	1	0	18	41	39	99
X1.3	1	0	28	34	36	99
X1.4	0	1	23	42	33	99

Source: data processed 2023

a. indicator of price perception is price affordability with the statement that Buavita's price is affordable according to people's purchasing power, getting the highest result at a score of 4 with 40 people or 40.4% of respondents answering agreeing with the statement given ; b. The second price perception indicator is price according to product quality with the statement that Buavita's price is according to the quality provided, getting the highest result at a score of 4 with 41 people or 41.4% of respondents answering agreeing with the statement given ; c. The third indicator of price perception is price according to benefits with the statement that Buavita's price is in accordance with the benefits obtained, getting the highest result at a score of 5 with 36 people or 36.4% of respondents answering strongly agreeing with the statement given ; d. The fourth indicator of price perception is price according to competition with the statement

that Buavita's price competes with other similar products, getting the highest result at a score of 4 with 42 people or 42.4% of respondents answering agreeing with the statement given.

Table 3 Frequency of Respondents' Answers Regarding Purchasing Decisions

	Statement Score					
	1	2	3	4	5	Total
Y1.1	1	8	17	28	45	99
Y1.2	0	6	24	33	36	99
Y1.3	0	1	14	39	45	99
Y1.4	0	3	21	41	34	99

Source: data processed 2023

a. The first purchasing decision indicator is the habit of buying a product with the statement that they buy Buavita more often than other similar products, getting the highest result at a score of 5 with 45 people or 45.5% of respondents answering strongly agreeing with the statement given; b. The second purchasing decision indicator is giving recommendations to other people with the statement giving recommendations to friends and family to buy Buavita, getting the highest result at a score of 5 with 36 people or 36.4% of respondents answering strongly agreeing with the statement given; c. The second purchasing decision indicator is the stability of a product with a statement of confidence in the quality. Buavita got the highest result at a score of 5 with 45 people or 45.5% of respondents answering strongly agreeing with the statement given; d. The second purchasing decision indicator is having an interest in repurchasing with the statement that they intend to buy Buavita again, getting the highest result at a score of 4 with 41 people or 41.4% of respondents answering agreeing with the statement given.

Data Analysis, Hypothesis Testing, and Measurement Model (outer model)
Convergent Validity

The validity of an indicator can be measured by looking at the *Factor Loading value* of the variable to the indicator. It can be said that the validity is sufficient if it meets the requirements of greater than 0.5 and/or the T- *Statistic value* obtained is greater than 1.96 (Z value at $\alpha = 0.05$). *Factor Loading* is the correlation between the indicator and the variable. If the validity value is greater than 0.5, then the validity is considered to be fulfilled. Likewise, if the T- *Statistic value* is greater than 1.96 then the significance is fulfilled. The variables *Brand Image* (X1), Price Perception (X2), and Purchase Decision (Y) show that the *factor loading value* (*original sample*) is greater than 0.50 and/or significant (the T- *Statistic value* is more than the Z value $\alpha = 0, 05 (5\%) = 1.96$), thus the estimated results of all reflective indicators in this study are said to meet *convergent validity* or good validity.

Discriminant Validity

The validity of a latent variable is considered good if the convergent AVE value is greater than 0.5. The AVE test results for the *Brand image variable* (X1) are 0.731856, the Price Perception variable (X2) is 0.743135, and the Purchase Decision (Y) is 0.747133, these three variables show a value of more than 0.5, so overall All variables in this research can be said to have good validity .

Table 4 *Average Variance Extracted (AVE)*

	AVE
Brand Image (X1)	0.731856 _
Purchase Decision (Y)	0.747133
Price Perception (X2)	0.743135

Source: data processed 2023

Composite Reliability

To measure construct reliability, *Composite Reliability* above 0.70 is used so that the indicators can be said to be consistent in measuring the latent variables. *The Composite Reliability* test results show that the *Brand image variable* (X1) is 0.891107, the Price Perception variable (X2) is 0.920255, and the Purchase Decision (Y) is 0.921983, these three variables show a *Composite Reliability value* above 0.70 so it can be said that all the variables in this study are reliable.
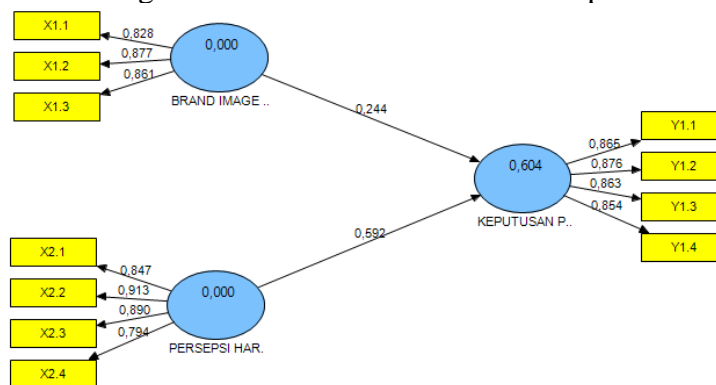
Table 5 *Composite Reliability*

	Composite Reliability
Brand Image (X1)	0.891107
Purchase Decision (Y)	0.921983
Price Perception (X2)	0.920225

Source: data processed 2023

PLS Model Analysis

Figure 1 SmartPLS Outer Model Output

Source: data processed 2023

R-square

Testing the inner model can be done by looking at the *R-Square value* in the equation between latent variables. R^2 explains the size of the exogenous (independent/free) variable in the model, and is able to explain endogenous (dependent/dependent) variables. R2 value = 0.603843. This can be interpreted to mean that the model is able to explain the Purchase Decision phenomenon which is influenced by independent variables including *Brand image* and Price Perception with a variance of 60.38%, while the remaining 39.62% is explained by other variables outside this research (apart from *Brand image* and Price Perception).

Table 6 *R-square*

|	R-Square
Brand Image (X1)	
Purchase Decision (Y)	0.603843
Price Perception (X2)	

Source: data processed 2023

Hypothesis test

Hypothesis 1 : *Brand image* has a positive effect on the decision to purchase Buavita products at Alfamart Kemanggisan 2 Jakarta , **which is acceptable** , with *Path Coefficients* of 0.243548, and a T-Statistic value of 2.980550 which is greater than the value of $Z\alpha = 0.05$ (5%) = 1.96, then it can be said **to be significant** (**positive**) .

Hypothesis 2 : Price perception The positive influence on purchasing decisions for Buavita products at Alfamart Kemanggisan 2 Jakarta **is acceptable** , with *Path Coefficients* of 0.591826, and a T-Statistic value of 7.401437 which is greater than the value of $Z\alpha = 0.05$ (5%) = 1.96, then it can be said to **be significant** (**positive**) .

Figure 2 SmartPLS *Inner Output Model*
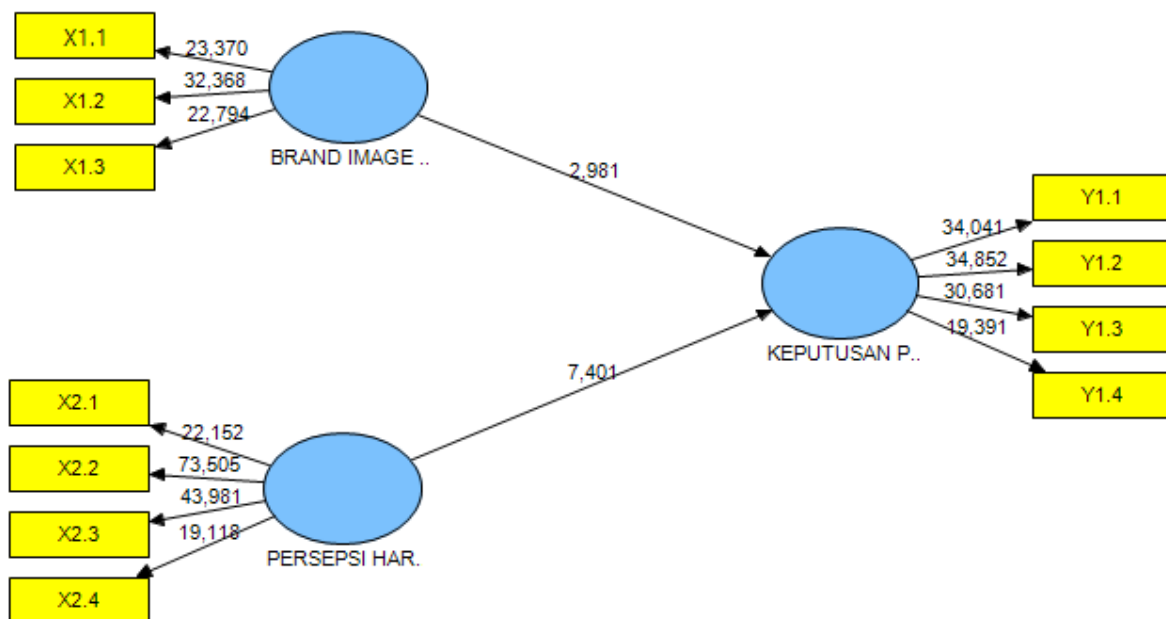
Source: data processed 2023

Discussion

The Influence of *Brand Image* on Purchasing Decisions

Based on the research that has been carried out, the results can be obtained that *brand image* influences the decision to purchase Buavita products at Alfamart Kemanggisan 2. The results of data processing show that *the brand image indicator*, namely user image, is the indicator that has the greatest influence on purchasing decisions for Buavita products. This proves that consumers will tend to choose the best products available that are able to meet all their needs, where Buavita always provides the most complete benefits with the many fruit

flavor variants that Buavita has so that it can answer all consumer needs. By fulfilling this user image, consumer purchasing decisions will be directed towards buying Buavita products. This is in accordance with previous research conducted by Neumeier (2003:54), Purwanto and Risaputro (2021), and Ajeng Ayu (2020) that *brand image* has a positive and significant influence on purchasing decisions.

The Influence of Price Perceptions on Purchasing Decisions

Based on the research that has been carried out, the results can be obtained that price perception influences the decision to purchase Buavita products at Alfamart Kemanggisan 2. From the results of the data processing carried out, the indicator of the price perception variable, namely price according to product quality, is the indicator that has the most influence on the product purchase decision variable. Buavita. This proves that consumers tend to choose products that are priced according to the quality of the product they will receive, where Buavita itself has a high price compared to other fruit juice drinks because it is made from real fruit, therefore, Buavita has the best quality because it contains more vitamins than other fruit juice drinks, such as vitamins A, B1, B2, B3, and B6 which are essential vitamins, as well as vitamins C and E which act as antioxidants. On the other hand, Buavita itself always provides maintained quality in every packaging, so that Buavita gains the trust of the public. By always providing the best quality that is honest, secure and trustworthy in every packaging, consumer perception becomes confident in buying Buavita products at high prices. The results of this research are in line with previous research conducted by Kotler & Keller (2009), Purwanto and Risaputro (2021), and Ajeng Ayu (2020) which also identified a positive and significant relationship between price perceptions and purchasing decisions.

A. CONCLUSION

Brand image and price perception contribute to purchasing decisions for Buavita products at Alfamart Kemanggisan 2, which means that the better *the brand image* that is attached to the community, the higher the purchasing decisions that consumers will make. Also, the better a price is perceived by consumers accompanied by appropriate quality, the higher the level of purchasing decision. With that, Buavita must maintain and consistently introduce a positive *brand image*, as well as start building a visual identity for the target market so that consumers become more familiar with and form a positive perception of Buavita so as to convince consumers in making purchasing decisions. In addition, Buavita is expected to be able to maintain positive price perceptions formed by consumers regarding Buavita products accompanied by appropriate product quality, bearing in mind that consumers will assess the suitability of the costs incurred and the quality contained in a product before making a purchase.

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Top *brand website* - award on the page " *Packaged fruit juice drinks"*