

The Influence of Viral Marketing, Price Perceptions, and Product Quality on Consumer Purchasing Decisions at Richeese Factory

Naila Aisyah Putri ¹, Supriyono ^{2*}

Management Study Program, Faculty of Economics and Business, Universitas Pembangunan Nasional
"Veteran" Jawa Timur, Indonesia ^{1,2}

20012010132@student.upnjatim.ac.id, supriyono.ma@upnjatim.ac.id

Correspondence Authors: supriyono.ma@upnjatim.ac.id

Article history: received June 28, 2024; revised July 15, 2024; accepted July 16, 2024

This article is licensed under a Creative Commons Attribution 4.0 International License



ABSTRACT

This research aims to analyze the effect of Viral Marketing, price perceptions, and product quality on consumer purchasing decisions at Richeese Factory. The population used in this study are consumers who are at least 17 years old and have made purchases at Richeese Factory Rungkut Madya. The sample used was 112 respondents with a nonprobability sampling method using purposive sampling technique. The data collection method in this study used a questionnaire or Likert scale by distributing questionnaires via google form, then analyzed with Partial Least Square (PLS). The results showed that Viral Marketing and product quality variables had a positive effect on purchasing decision variables. Meanwhile, the price perception variable does not have a positive effect on the purchasing decision variable.

Keywords: Viral Marketing, Price Perception, Product Quality, and Purchasing Decision.

INTRODUCTION

Business competition is not a new thing in the world of global trade, especially when it comes to competing for potential markets and maintaining consumers. To become competitive and dynamic, business performers need to change their methods in handling rivals, launching new products, and serving consumers. Business competition is becoming more intense nowadays, and this also happens in Indonesia, where competition has created several changes for business actors. The business world develops along with the era of globalization, visible from the stricter competition in marketing products and services. New marketing strategies rely on the progress of information technology, which is also influenced by the rapidly developing field of information technology.

Considering the need for food, there is currently a lot of potential for growth in the business sector, especially in the culinary field. Current trends in the food and beverage industry show that there is a high demand in the culinary field. One type of food business that can utilize social media to promote its products is fast-food restaurants, commonly known as franchise restaurants. One such restaurant that utilizes social media as a promotional tool is Richeese Factory. Richeese Factory is a fast-food restaurant from Indonesia that offers fried chicken as its main menu, with a choice of spicy BBQ sauce with levels of spiciness from 1 to 5, served

with additional cheese sauce. With its distinctive menu offerings, Richeese Factory can attract consumer interest, leading them to make purchasing decisions.

Richeese Factory became a trending topic and received public attention when it released a new menu item, a whole fried chicken with options for spicy and non-spicy levels, complete with the typical Richeese Factory cheese sauce. This menu item, known as Fire Flying Chicken, quickly became a public highlight due to its unique promotion. A business can use viral marketing strategies to introduce and promote its products by using interactive media on social media, thus increasing brand awareness and purchasing decisions (Trichayono et al., 2019).

However, despite all the efforts of Richeese Factory to outperform the competition with its viral marketing strategy, the restaurant did not achieve good results in the Top Brand Index survey, which is a consumer survey. It is known that Richeese Factory is still far behind its competitors in the fast-food restaurant industry.

Table 1. Top Restaurant Brand Index Fast Food 2020-2023

TOP BRAND INDEX				
Brand	2020	2021	2022	2023
KFC	26.4%	27.2%	27.2%	27.2%
McDonald's	22.8%	26%	26.2%	25.4%
Hoka-Hoka Bento	6.5%	8.5%	9.4%	8.5%
A&W	5.9%	7.9%	7.6%	8.2%
Richeese Factory	4.9%	5.9%	4.7%	3.7%

Source : <https://www.topbrand-award.com/>

Data from the Top Brand Index shows that Richeese Factory consistently ranks in fifth place. The results from the Top Brand Index survey, showing either a decline or improvement, can influence consumer purchasing decisions.

In the company, price perception impacts consumer choices in making purchasing decisions. According to Schiffman and Kanuk (2018), price perception is the way consumers view the high or low prices, which can influence their purchasing decisions. Richeese Factory's fried chicken package is priced higher compared to its competitors. Although not all customers have the same perspective on price, there are consumers who find the price quite affordable and those who think otherwise.

To be able to compete and grow in the fast-food restaurant industry, Richeese Factory needs to maintain high product quality so that consumers always choose to make their purchases at Richeese Factory. According to Kotler and Armstrong (2008), as cited in Adonis and Silintowe's journal (2021), product quality is defined as the ability of a product to perform its functions. However, despite all Richeese Factory's efforts in maintaining food quality, the restaurant still receives a number of negative reviews regarding product quality on Google Reviews. Richeese Factory needs to maintain and enhance product quality to improve, as this is crucial in consumer purchasing decisions based on the quality of the products they buy. It is also important for maintaining company value, expanding market reach, and increasing product sales.

Based on this description, this study aims to understand the influence of viral marketing, price perception, and product quality on consumer purchasing decisions at Richeese Factory.

Literature Review

Viral Marketing

According to Kotler, Armstrong, and Balasubramanian (2024:527), viral marketing is the digital version of word-of-mouth marketing (WOM) in the form of videos, advertisements, or other marketing content that is sought after and recommended by consumers to their friends. Viral marketing utilizes the internet to achieve digital marketing objectives by facilitating fast communication spread. Indicators that can be used as criteria in viral marketing, according to Kaplan and Haenlin (2011), as quoted by Kurnia and Wijaksana (2020), are The Messenger, The Message, and The Environment.

Price Perception

According to Kotler and Armstrong (2008), price perception is the associated value related to prices with the benefits of owning a product or service. Consumers will consider a product based on their perception of the price, not just the nominal amount. There are indicators of price perception according to Kotler and Armstrong (2018), as quoted in Budiono and Yuliana (2021), which can be measured with three indicators: price affordability, price suitability with product quality, price competitiveness, and price suitability with product benefits.

Product Quality

According to Kotler, Armstrong, and Balasubramanian (2024), product quality is the characteristic of a product or related services with its ability to consistently and reliably fulfill consumer needs, either stated or implied. With a unique taste, appropriate portions, and preferences, as well as a variety of food choices available, customers will be interested in making repeat purchases and maintaining satisfaction with the product. According to Essinger and Wylie (2012), as quoted in Fardiman (2020), there are indicators to measure food product quality, namely taste quality, portion or quantity, cooking variety, the variety of menus offered, and distinctive tastes.

Purchase Decision

According to Schiffman and Kanuk (2016), as quoted in Calvary and Syahrinullah (2023), a purchase decision is the selection between two or more different purchase alternatives, meaning that consumers must have various options available to them. According to Kotler and Armstrong (2018:187), as quoted in Hajjar and Afrizoni (2023), there are four indicators in a purchase decision: stability in a product or service after knowing product information, making a purchase after getting recommendations from others, giving recommendations to others, and making repeat purchases.

Relationship Between Viral Marketing and Purchase Decisions

Along with the rapid development of technology, there is a change in current business actors who choose to use marketing strategies with the internet to support communication, information, and promotion needs (Nggilu et al., 2019). Consumers nowadays often consider viral social media content when determining purchase decisions. This is supported by previous research conducted by Kurnia and Wijaksana (2020), which showed that the better the viral

marketing carried out by companies on social media, the more it will trigger consumer purchase decisions. This aligns with research by Kurniawan, Komariah, and Danial (2022), showing that viral marketing has a positive and significant influence on purchase decisions.

Relationship Between Price Perception and Purchase Decisions

Price perception is an important component in determining consumer buying power for a product. Products that have affordable prices tend to have many requesters. However, the higher the quality of a product offered, the higher its value will be (Winarso et al., 2018). According to Indrasari (2019), there must be a match between the benefits received and the existing price perception. Consumers will choose to make a purchase if the benefits received are the same or higher than the perceived price paid. This is supported by previous research by Budiono and Yuliana (2021), which stated that making affordable and varied price perceptions will have an influence on purchase decisions. The research results of Ammalia and Supriyono (2022) also stated that price perception positively influences purchase decisions.

Relationship Between Product Quality and Purchase Decisions

According to Kotler and Armstrong (2014), as cited in Fadhila (2021), product quality plays an important role in fulfilling consumer desires and needs, with the objective of meeting consumer expectations. Consumer decisions to buy will be influenced by the product if the quality obtained can fulfill their needs and desires. One of the objectives of product quality is to make it easier for consumers to determine their choice in purchasing decisions. This is supported by previous research conducted by Kurnia and Wijaksana (2020), which showed that product quality has a positive and significant influence on purchase decisions. This aligns with a study by Fauziyah, Sumantyo, and Ali (2023), which also stated that the product quality variable significantly influences purchase decisions.

From the explanation above, there is framework conceptual and hypothesis in research this as following:

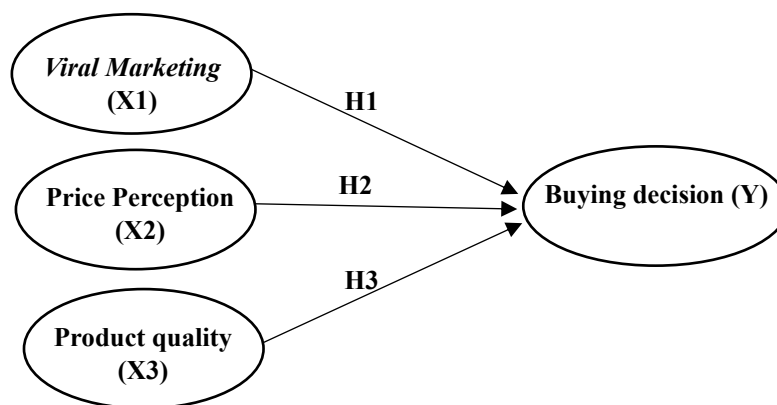


Figure 1. Framework Conceptual

H1: Suspected *Viral Marketing* influential positive to decision purchase consumers at Richeese Factory

H2: Suspected Price perception matters positive to decision purchase consumers at Richeese Factory

H3: Suspected Quality Product influential positive to decision purchase consumers at Richeese Factory

RESEARCH METHODS

This study uses a quantitative research method. The primary data source in this research is questionnaire data regarding variables to be tested, namely viral marketing, price perception, product quality, and purchase decision criteria. The population used in this research consists of consumers who have made purchases at Richeese Factory fast-food restaurants. The sampling method in this study is non-probability sampling using the purposive sampling technique. The criteria in question are consumers who are at least 17 years old and have made purchases at Richeese Factory Rungkut Madya. In this research, there are 16 indicators with 7 parameters, thus the total sample size in this study is 16 (Total Indicators) x 7 = 112 respondents. Data processing uses the SEM-based component method with PLS software.

RESEARCH RESULTS AND DISCUSSION

Characteristics Respondent

Table 2. Respondent Characteristics

Characteristics	Category	Respondent	
		Amount	Percentage
Age	17 – 23 Years	68	60.7 %
	24 – 30 Years	16	14.3 %
	31 – 37 Years	16	14.3%
	> 43 Years	12	10.7 %
	Amount	112	100%
Gender	Man	40	35.7 %
	Woman	72	64.3 %
	Amount	112	100%

Source : Processed data , 2024

Respondents in this research are consumers who have made purchases at Richeese Factory Rungkut Madya, with a total of 112 respondents. The characteristics of respondents based on age show that the majority of consumers at Richeese Factory Rungkut Madya are aged between 17 and 23 years. Meanwhile, regarding the characteristics of respondents based on gender, the majority of consumers at Richeese Factory Rungkut Madya are female, with a total of 72 respondents or 64.3% of the total respondents.

Outlier Test Evaluation

Table 3. Data Outliers

	Minimum	Maximum	N
Expensive. Distance	1,135	43,643	112

Source : Processed data , 2024

Based on the outlier test table, the respondent data has a Maximum Distance value of 43.643, which is smaller than the predetermined outlier Maximum Distance of 45.9249. This indicates that there are no outliers in the data, which suggests that the data quality is good and can be processed further.

Convergent Validity

When the Factor Loading value of a variable to an indicator is greater than 0.5 or the T-Statistic value (Z value at $\alpha = 0.05$) is greater than 1.96, the indicator is considered to have sufficient validity. The correlation between the indicator and the variable, known as Factor Loading, if greater than 0.5, indicates fulfilled validity, and if the T-Statistic value is greater than 1.96, it indicates fulfilled significance. The estimation results show that all indicators have met Convergent Validity or good validity based on the outer loading test results. All reflective indicators on the variables Viral Marketing (X1), Price Perception (X2), Quality Product (X3), and Purchase Decision (Y) show a factor loading (original sample) greater than 0.50 and/or significant (T-Statistic value greater than Z value $\alpha = 0.05$ (5%) = 1.96).

Another tool used to measure indicator validity is Cross Loading. The results of Cross Loading data processing show that the loading factor values for each indicator on the variables Viral Marketing (X1), Price Perception (X2), Quality Product (X3), and Purchase Decision (Y) are higher compared to the loading factor values of other variable indicators. This means that all indicators in this study have met their validity or have good validity.

Discriminant Validity

Table 4. Average variance extracted (AVE)

	AVE
Viral Marketing (X1)	0.566480
Perception (X2)	0.500516
Quality Products (X3)	0.445792
Purchase Decision (Y)	0.533043

Source : Processed data , 2024

The AVE test results for the Viral Marketing variable (X1) are 0.566480, the Price Perception variable (X2) is 0.500516, and the Purchase Decision variable (Y) is 0.533043. These three variables show values greater than 0.5, indicating that the overall validity of these variables in this study is good. However, the AVE test results for the Quality Product variable are 0.445792, which is less than 0.5. This indicates that the overall validity of this variable in this study is not sufficiently good.

Composite Reliability

Table 5. Composite Reliability

	Composite Reliability
Viral Marketing	0.790298
Price Perception	0.799154
Quality Product	0.799568
Buying decision	0.818769

Source : Processed data , 2024

The test results for Composite Reliability show that the Viral Marketing variable (X1) has a value of 0.790298, the Price Perception variable (X2) has a value of 0.799154, the Quality Product variable (X3) has a value of 0.799568, and the Purchase Decision variable (Y) has a value of 0.818769. All four variables show Composite Reliability scores above 0.70, indicating that all variables in this research are reliable.

Latent Variable Correlations

Table 6. Latent Variable Correlations

	Purchase Decision (Y)	Quality Products (X3)	Perception (X2)	Viral Marketing (X1)
Purchase Decision (Y)	1,000000			
Quality Products (X3)	0.765136	1,000000		
Perception (X2)	0.438661	0.498016	1,000000	
Viral Marketing (X1)	0.541029	0.479895	0.341564	1,000000

Source : Processed data , 2024

The average correlation value between variables shows that they are all above 0.5, which is consistent with the processed data results in the latent variable correlations tables. Specifically, the correlation value of 0.765136 between Purchase Decision (Y) and Quality Product (X3) is the highest. This indicates that among all the variables in the research model, there is a stronger relationship between the Purchase Decision (Y) and Quality Product (X3) variables.

R-Square

Table 7. R-Square

	R Square
Viral Marketing	
Price Perception	
Quality Product	
Buying decision	0.626304

Source : Processed data , 2024

Based on the data processed using PLS, the structural model testing reveals that the R-Square indicates the percentage of variance explained by the variables. Specifically, the variables Viral Marketing, Price Perception, and Quality Product collectively influence Purchase Decisions by 62.63%, while the remaining 37.37% is explained by other variables.

Hypothesis test

Table 8. Path Coefficients (Mean, STDEV, T-Values)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T-Statistics (O/STERR)	P-Value
Viral Marketing (X1)						
-> Purchase Decision (Y)	0.219643	0.226818	0.082565	0.082565	2.660234	0.009
Perception (X2) -> Purchase Decision (Y)	0.046654	0.052689	0.066826	0.066826	0.698140	0.487
Quality Product (X3) -> Purchase Decision (Y)	0.636496	0.635970	0.063487	0.063487	10.025635	0,000

Source: Processed data, 2024

Based on the results of hypothesis testing, Viral Marketing positively influences purchasing decisions, thus Hypothesis One is accepted. The path coefficient is 0.219643, with a T-statistic value of 2.660234, which exceeds the critical Z α value of 1.96 at $\alpha = 0.05$ (5%). The P-Value of 0.009 is less than 0.05, indicating statistical significance (positive). Price Perception does not positively influence purchasing decisions, thus Hypothesis Two is not accepted. The path coefficient is 0.046654, with a T-statistic value of 0.698140, which is less than the critical Z value of 1.96 at $\alpha = 0.05$ (5%). The P-Value of 0.487 is greater than 0.05, indicating no statistical significance (negative). Quality Product positively influences purchasing decisions, thus Hypothesis Three is accepted. The path coefficient is 0.636496, with a T-statistic value of 10.025635, which exceeds the critical Z value of 1.96 at $\alpha = 0.05$ (5%). The P-Value of 0.000 is less than 0.05, indicating statistical significance (positive).

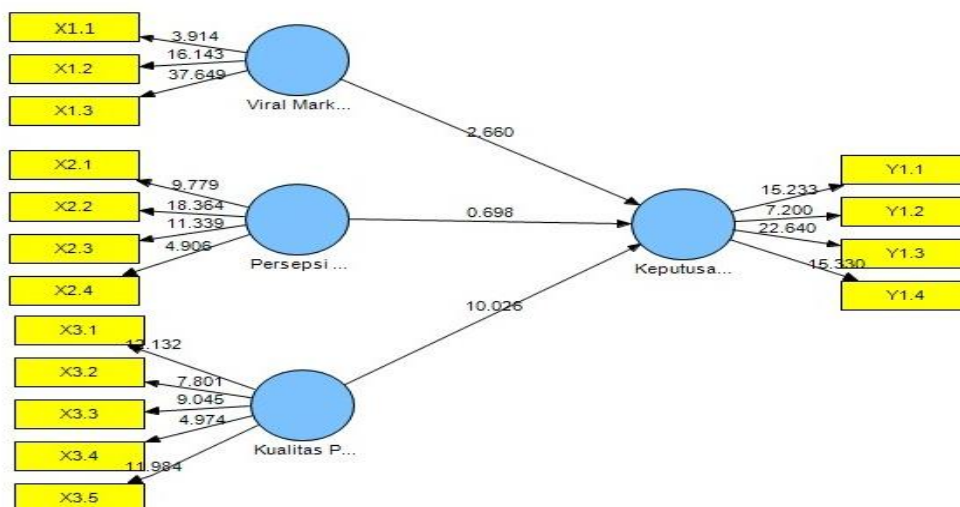


Figure 1. Inner Model with mark significance Bootstrapping T-Statistics (Source : SmartPLS output data processing , 2024)

The Influence of Viral Marketing on Purchasing Decisions

Viral marketing significantly influences the purchasing decisions of consumers at Richeese Factory Rungkut Madya. The results demonstrate that effective viral marketing campaigns can enhance consumer decision-making at Richeese Factory. By creating creative and engaging viral content that resonates with consumers, Richeese Factory can stimulate purchase decisions. This finding is consistent with previous studies by Kurnia and Wijaksana (2020), which show that viral marketing has a significant influence on purchasing decisions. Similarly, research by Kurniawan, Komariah, and Danial (2022) supports this, indicating a substantial positive impact of viral marketing strategies on purchasing decisions. Improving viral marketing strategies can therefore greatly enhance their influence on purchase decisions.

Influence of Price Perception on Purchase Decisions

Price perception does not significantly influence the purchasing decisions of consumers at Richeese Factory Rungkut Madya. The findings indicate that price perception plays a limited role in influencing consumer purchasing decisions at Richeese Factory. Consumers at Richeese Factory are motivated more by the perceived value and affordability compared to competitors, but individual preferences still play a crucial role in decision-making. This result aligns with previous research by Anisa, Winarno, and Atasa (2024), which found that price perception does not significantly influence purchasing decisions. Similarly, studies by Fauziyah, Sumantyo, and Ali (2023) also indicate that price perception has a negative and insignificant effect on purchasing decisions. Higher affordability and perceived benefits can lead to increased purchasing decisions, but individual preferences remain paramount.

Influence of Quality Product on Purchase Decisions

Quality product significantly influences the purchasing decisions of consumers at Richeese Factory Rungkut Madya. The results indicate that higher product quality enhances consumer decision-making at Richeese Factory. Consumer perception of good product quality positively influences their purchase decisions. To maintain market share, it is crucial for Richeese Factory to consistently improve and uphold product quality. This finding is supported by previous research by Fauziah, Sumantyo, and Ali (2023), highlighting the significant influence of product quality on purchasing decisions. Similarly, research by Kurnia and Wijaksana (2020) reinforces this, demonstrating a significant positive impact of product quality on purchasing decisions. Enhancing product quality can therefore drive consumer decisions and contribute to product development.

CONCLUSION

Based on the PLS analysis, viral marketing contributes significantly to consumer purchase decisions at Richeese Factory Rungkut Madya. Quality information about Richeese Factory on social media platforms, coupled with positive consumer engagement, enhances consumer purchasing decisions at Richeese Factory. Conversely, price perception does not significantly influence consumer purchasing decisions, despite Richeese Factory's reputation for offering competitive prices. Ensuring appropriate pricing across various consumer segments and aligning with perceived product benefits can potentially increase consumer purchase decisions.

Maintaining and enhancing product quality at Richeese Factory remains essential to continually satisfy consumer preferences and increase sales.

Suggestions

Given the success of viral marketing strategies at Richeese Factory, it is imperative to maintain and further develop these strategies to increase sales and broaden public awareness. Richeese Factory should also ensure competitive pricing strategies across different consumer segments, aligning them with perceived product benefits. Continuous attention to product quality is crucial, including the selection of high-quality raw materials, to sustain and potentially increase sales at Richeese Factory.

REFERENCES

- Adonis, M. R., & Silintowe, Y. B. R. (2021). Desain Produk, Kualitas Produk, Citra Merek, dan Harga Produk Terhadap Keputusan Pembelian Generasi Y. *JURNAL CAPITA: Kebijakan Ekonomi, Manajemen Dan Akuntansi*, 3(1), 118–138.
- Ammalia, N. R., & Supriyono, S. (2022). Kualitas Produk dan Persepsi Harga terhadap Keputusan Pembelian. *Journal of Management and Bussines (JOMB)*, 4(2), 1018–1028.
- Anisa, T. N., Winarno, S. T., & Atasa, D. (2024). Pengaruh Persepsi Harga, Kualitas Produk, dan Citra Merek Terhadap Keputusan Pembelian Konsumen Produk Frozen Seafood “AHAA!” ICS Food di Sidoarjo. *Jurnal Ilmiah Respati*, 15(1), 59–71.
- Budiono, A., & Yuliana, A. (2021). Pengaruh Kualitas Produk, Persepsi Harga dan promosi terhadap Keputusan Pembelian di Pizza Hut Delivery Arundiana Cibubur. *Panorama Nusantara*, 16(2), 16–27.
- Calvary, T., & Syahrinullah, S. (2023). Pengaruh Citra Merek, Harga dan Promosi terhadap Keputusan Pembelian Produk Sepatu Merek “NIKE” dikota Jepara. *Forecasting: Jurnal Ilmiah Ilmu Manajemen*, 1(9), 151–160.
- Fadhilla, K. N., & Sugiyono, S. (2021). Pengaruh Kualitas Produk, Citra Merek dan Harga Terhadap Keputusan Pembelian Hanphone Samsung. *Jurnal Ilmu Dan Riset Manajemen (JIRM)*, 10(7).
- Fardiman, M. (2020). Pengaruh Food Quality Terhadap Keputusan Pembelian Ayam Geprek Mba Ida Jl. Datuk di Banta Kota Bima. *BRAND Jurnal Ilmiah Manajemen Pemasaran*, 2(2), 154–162.
- Fauziyah, Y., Sumantyo, F. D., & Ali Hapzi. (2023). Pengaruh Online Consumer Review, Kualitas Produk dan Persepsi Harga terhadap Keputusan Pembelian. *Jurnal Komunikasi Dan Ilmu Sosial*, 1(1), 48–64.
- Hajjar, S., & Afrizoni, H. (2023). Pengaruh Marketing Mix dan Perilaku Konsumen Terhadap Keputusan Pembelian Jasa Percetakan Paberta Jaya Padang. *Matua Jurnal*, 5(1), 63–75.
- Indrasari, M. (2019). *Pemasaran dan Kepuasan Pelanggan*. Unitomo Press.
- Kotler, P., & Armstrong, G. (2008). *Prinsip-Prinsip Pemasaran* (Edisi 12 Jilid 1). Erlangga.
- Kotler, P., Armstrong, G., & Balasubramanian, S. (2024). *Principles of Marketing* (19th edition). Pearson Education Limited.
- Kurniawan, F., Komariah, K., & Danial, R. D. M. (2022). Analisis Online Consumer Review Dan *Viral Marketing* Terhadap Keputusan Pembelian Skincare Somethinc. *Management Studies and Entrepreneurship Journal (MSEJ)*, 3(4), 1888–1893.
- Kurnia, T., & Wijaksana, T. I. (2020). Pengaruh *Viral Marketing* Dan Kualitas Produk Terhadap Keputusan Pembelian Sepatu Compass Melalui Media Sosial Instagram. *EProceedings of Management*, 7(3).
- Nggilu, M., Tumbel, A., & Djemly, W. (2019). Pengaruh *Viral Marketing*, Celebrity Endorser, dan Brand Awareness Terhadap Keputusan Pembelian Pada Geprek Benu Manado. *Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi*, 7(3).
- Schiffman, L. G., & Kanuk, L. L. (2018). *Perilaku Konsumen* (Edisi 7). PT Indeks.

- Trichayono, D., Utami, L. W., & Safitri, W. (2019). The Impact of *Viral Marketing* on Consumers' Intention to Use (Case study: Spotify Indonesia). In *1st International Conference on Economics, Business, Entrepreneurship, and Finance (ICEBEF 2018)*, 674–678.
- Winarso, W., Nursal, M. F., & Prasetyo, E. T. (2018). Analisis Strategi Penetapan Harga Produk Usaha Kecil dan Menengah Terhadap Volume Penjualan (Studi Kasus pada Pedagang Bakso di Bekasi Utara). *Journal For Business And Entrepreneurship*, 2(1).