



Effects of Product Quality, Price and Brand Image on the Purchasing Decisions of Nike Products

Nani¹, Badriyah², R Arynati Ratnawati³

¹Universitas Pamulang, Indonesia

²Politeknik LP3I Jakarta, Indonesia

³Universitas Sangga Buana, Indonesia

Email: dosen01704@unpam.ac.id¹, badriyah_lp3i@yahoo.co.id²

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ABSTRACT

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Technological development supports the rapid growth of online shops. Online shopping has now become a lifestyle and habit for many people due to the convenience offered. Customers need to be more careful in making purchase decisions, including the decision to purchase NIKE preloved products at Brandedfashi online shops in Bandung. This study focused on the customer's decision to purchase preloved NIKE products. It aims to identify the impact of product quality, price, and brand perception on the decision to purchase preloved online shop products. This study used a quantitative method involving a sample of 100 respondents. The data obtained from the respondents were analyzed using Multiple Linear Regression analysis. The results show that the Fisher (F) test of the product quality, price, and brand views affect purchasing decisions of preloved NIKE products from Brandedfashi online shop. Quality is a significant aspect influencing the decision to purchase preloved products as Brandedfashi. Brand images are influenced by integrity, applied strategies, and customer perceptions. To increase customer satisfaction with preloved products, it is important to improve the advertising methods, packaging, and price compliance.

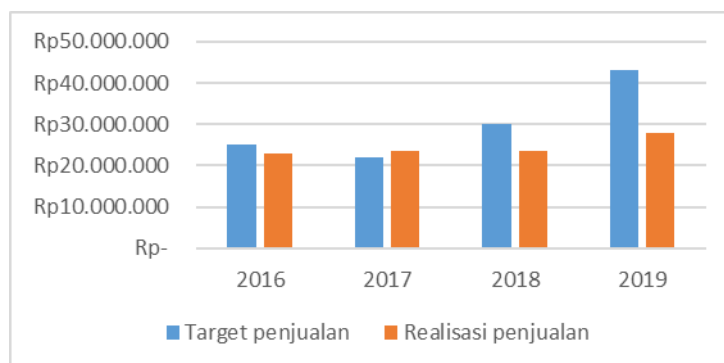
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1. Introduction

In this global era, the online business sector especially in Bandung City grows rapidly. It requires producers to be more innovative, innovative, and think critically about changes in social, customary, or economic aspects. Many online shops offer a variety of quality products to get high traffic or closing (customers decided to purchase). Brandedfashi online shop offers famous products (NIKE, a multi-national industry that produces shoes and clothing). This industry was founded in 1964 and operated in Asian and European countries. With good quality and a worldwide brand image, preloved NIKE (previously owned by someone and will be sold) has a great price, so Brandedfashi sells this product.

Based on the data obtained by researchers, there are problems of not achieving sales targets and decreasing realization. The detail can be seen in the following figure:





The report shows that only in 2017 the achievement of sales was maximal, while in 2016, 2018 and 2019 the sales target was not achieved optimally. It means there are ups and downs in purchasing decisions. It happens due to certain factors such as product quality, price and brand image. The development in various aspects of life has an impact on people's lifestyles and attitudes which is in line with the theory of Abraham Maslow in (Abraham Maslow in Kotler & Keller 2008) on the fulfilment of the basic needs before moving on to more complex needs. Thus, the industry must sell each product and segment the target customers. Price needs to be considered by companies in terms of sales. Customers produce price estimates, especially those from the lower middle category. Price is an important factor affecting a product. The price of the product varies from middle and upper market segments. Brand image is the entire combination of data contained in the product, service and industry of the brand (Ratri 2007). The brand images are related to religion and the provisions of a strong brand.

This research has been investigated by several previous researchers Finis, Djoko, and Si, Rares and Jopie Jorie (2015), Yasir Arrafat, (2018), Isnaini and Rimiayati, Monginsidi, Sepang, and Soepeno (2019), Anam, et al, (2021), Faroh, (2017), Fatmaningrum, et al, (2020), (Indah, et al, 2020), Ma Easy and Tiarawati, (2014), (Amelisa, et al, 2016) and (Amron, 2018) who have research results there is a strong relationship between product quality, price and brand image with purchasing decisions. Meanwhile, research conducted by Andriani, et al, (2019) states that product quality and promotion have a significant influence on purchasing decisions, but price has no effect on purchasing decisions. There are differences in research as well as research conducted by Istiyanto and Nugroho, (2017) which states that price and product quality have a significant influence on purchasing decisions while brand image has no effect on purchasing decisions. The difference again occurs in research conducted by Puspita, et al, (2015) which states that price and brand image have a significant effect on purchasing decisions while product quality has no effect on purchasing decisions. Research conducted by Sarjita, (2019) there is no influence between promotion, price and product quality on purchasing decisions. The difference in research again occurs in research conducted by Sabrina, et al, (2018) which states that brand image, product quality and product differentiation have no effect on purchasing decisions, and price affects purchasing decisions.

Sofjan Assauri (2009) explains that marketing management is the activity of analyzing, planning, implementing, and controlling controlled programs to build and maintain profits through the target market with a transfer method to achieve the agency's goals in the long term. When a customer decides to purchase a product, a quality product will be an option to fulfill wants and desires. There are some methods of satisfying customers and the quality of the product has many uses. Thus, the marketer must have high creativity to create products that can fulfill the different customers' needs.

The quality of a product takes to consider the expertise of the product in fulfilling customers' needs. Rares and Jopie Jorie (2015) reveal that prices affect customers' purchasing decisions. Price is the monetary amount weighted to the client or customer on one unit of object or service purchased or delivered (Djaslim Saladin 2007). Price will be a figure when it comes to the perceived benefits of a meaningful product. On the other hand, the figure is a comparison between the benefits and the price. The price must be able to cover the payment. According to (Kotler, Philip & Armstrong, and Gary 2011) "purchase decision is the buyer's decision about which brand to purchase" which means the customer carries out the purchase of the product in a factual way. Kotler and Armstrong (2001) propose some steps of how customers make purchase decisions. Keller (2000) states that the brand image is the consumer's assumption about the product that they want to consume or use. Meanwhile, Kotler in Simamora (2003, 63) reveals that brand image is a feature of religion,

inspiration, and opinion on a brand that is owned by someone. Therefore, the customer's actions are closely related to the brand's image. Therefore, the researcher has proposed the following hypotheses:

H1: the effect of product quality on purchasing decisions.

H2: the effect of price on purchasing decisions.

H3: The effect of brand image on purchasing decisions.

2. Methods

This study used a quantitative method with a descriptive approach. The descriptive approach is to describe the object or results of the study. Roscoe in (Sugiyono 2010, 131) explains about illustration dimensions to be monitored in multivariate analysis (for example, with a relationship or double regression) with minimum illustrations of 10. The number of illustrations used is 3 independent variables and 1 dependent variable of 10 times greater than the total number of variables with 40 samples.

This study used multiple linear regression analysis methods. This method is to measure the effect of more than one independent variable on the dependent variable using IBM SPSS V23. Before analyzing the data, the instrument was tested for validity and reliability. What is used in this instrument is validity and reliability (Ahmaddien et al.). The regression model used F-test and T-test to prove the significant effect of the independent variable simultaneously or partially. In the regression model, classical assumption tests were also carried out to ensure the regression model as the Best Linear Unbiased Estimator (BLUE). To identify the model's ability to explain the alteration of the dependent variable, the researcher used the coefficient of determination (R²).

3. Results and Analysis

3.1 Validity Testing

The following table presents 20 items of product quality (X1), Price (X2), Brand image (X3), and purchasing decision (Y) variables. The validity test used Karl Pearson Correlation Coefficient with the help of the SPSS program showing that all items are valid.

The result shows that the indicators used to measure the variables are higher than 0.25. This indicates that all items in the questionnaire are valid and can be distributed to respondents.

3.2 Reliability Testing

The tables above show that the indicators used to measure the variables are higher than 0.25. It proves that all items are valid so that the questionnaires can be distributed to respondents.

3.3 Results of Multiple Linear Regression Analysis

Multiple regression analysis plays a role in identifying the effect of product quality, price, and brand image variables partially and simultaneously on purchasing decisions of NIKE products. Statistical calculations in multiple regression analysis can be seen in the following formula:

$$Y = -0,993 + 0,410x_1 + 0,156x_2 + 0,413x_3 + e$$

Based on the table above, all independent variables (price (x1), product quality (x2), and brand image (x3)) have a positive effect on purchasing decisions. In the equation above, the first positive effect on purchasing decisions is on the brand image (0.390), followed by product quality (0.164), and price (0.347). It can be concluded that the brand image has the greatest effect on purchasing decisions with a value of 0.390.

3.4 Coefficient of Determination

The coefficient of determination is used to identify the effect of the independent variable on the independent variable. The value of the coefficient of determination for the independent variable is more than 2 as follows: the result shows the value of the coefficient of determination of 0.639. This indicates that 63.9% of the three variables (price, quality, brand image) affects the purchasing decision, while the rest of 36.1% is affected by other factors outside this study.

3.5 Discussion

a. Simultaneous Effects of Price, Quality, and Brand Image on Purchasing Decision

The results of the F-test with 3 independent variables and 100 samples obtain F table = (3; 97) = 4.13 and F count = 56.967 with a significance value of 0.000. The F count is higher than F table (56.647 > 4.13) with a significant value of 0.000 < 0.05. Thus, it can be concluded that price (X1), quality (X2), and brand image (X3) variables affect purchasing decisions (Y).

Based on the multiple regression results, it can be concluded that the independent variables (price (x1), product quality (x2), brand image (x3)) have a positive effect on purchasing decisions. The first factor affecting purchasing decisions is the brand image (0.390), followed by quality (0.164) and price (0.347). It can be concluded that the purchasing decisions are greatly affected by brand image (0.390).

Based on the results of the hypothesis testing, it can be concluded that the value of the coefficient of determination is 0.639. This indicates that 63.9% of the purchasing decision is affected by the three variables (price, quality, brand image), while the rest (36.1%) is affected by other factors outside this study.

These influences are interrelated where the price affects how a person views in determining quality. Moreover, with a big brand, high quality is something that big brands must have. Likewise, the brand image of big brands is always maintained and always prioritizes quality that is always good, so that all these factors influence the purchase decision, whether high or low. For users of this brand, price is not a problem with quality and a good brand image. Therefore, the higher the price, the higher the quality and the better the brand image, the higher the customer's purchase decision, and vice versa.

b. Partial Effects of Price on Purchasing Decision

The t_{count} value for the price variable is 3.967 with a significance level of 0.000. The t_{count} is higher than the t_{table} ($3.967 > 1.984$) with a significance value of $0.000 < 0.05$. It can be concluded that partially, the price significantly influences purchasing decisions. It can be interpreted that each increase and decrease in income is influenced by increases and decreases in Nike prices.

Price is a description of the purchasing power of the customer for the product. Price has an important role in determining whether the finished customer buys the product or not. Price is a factor that is very close to a decision because it is in contact with the income of each person or family. Usually, the higher the income a customer has, the higher the probability of buying a product. This is because a high opinion of someone can increase the purchasing power of customers. And vice versa when customers have low purchasing power or income, the lower the customer's desire to buy an item.

But apart from that, the low price also has its own charm for consumers. This is because humans tend to prefer goods with good quality and low prices compared to high prices with good quality. Sometimes for certain customer groups have the view that high prices must have high quality. Likewise, goods that have low prices must have low quality. Therefore, price has an important role in determining whether someone buys an item or not.

The results of this study are in accordance with previous research conducted by Finis, Djoko, and Si, Rares and Jopie Jorie (2015), Yasir Arrafat, (2018), Isnaini and Rimiyati, Monginsidi, Sepang, and Soepeno (2019), Anam, et al. , (2021), Faroh, (2017), Fatmaningrum, et al, (2020), (Indah, et al, 2020), Maeasy and Tiarawati, (2014), (Amelisa, et al, 2016) and (Amron, 2018) which states that the price has an effect on purchasing decisions.

c. Partial Effects of Quality on Purchasing Decision

The t_{count} value for the quality variable is 1.724 with a significant level of 0.088. The t_{count} is higher than the t_{table} ($1.724 > 1.984$) with significance value of $0.088 > 0.05$. It can be concluded that partially, the price significantly influences purchasing decisions. It means that each increase and decrease in income is influenced by the quality of Nike's products. Quality is the ability of a product to perform the use of the product, and the expertise of a product is the strength, reliability, accuracy obtained, ease of operation and repair, and other valuable features of the product as a whole (Philip Kotler and Gary M. Armstrong 2008).

Quality is something that determines whether a product is good or not. In this study, quality has no effect on purchasing decisions, this means that the quality of the brand being researched is a product that must have good quality. This makes customers not rethink product quality, because quality is already owned and customers have more trust. The results of this study are supported by research conducted by Puspita, et al, (2015) which states that quality has no effect on purchasing decisions.

d. Partial Effects of Brand Image on Purchasing Decision

The value on brand image quality is 4.298 with a significance level of 0.000. t_{table} is higher than the t_{table} ($4.298 > 1.984$) with significance level of $0.000 < 0.05$. It can be concluded that partially, brand image significantly influences purchasing decisions. This can be interpreted that each increase and decrease in income is influenced by the brand image of Nike.

Brand image has an influence on purchasing decisions made by customers. Brand or brand is something that is most viewed by some people. Well-known brands have more appeal to purchasing decisions. Customers usually have more confidence in a well-known brand because it is considered to have its own advantages over



a product. Brands have their own power in attracting customers, because well-known brands have a low level of disappointing consumers. People who understand a brand will really appreciate a brand well. And can recognize it very well too. Therefore, the brand is very influential on customer purchasing decisions. The better the brand image owned by the company, the higher the purchase decision.

This study has results that are supported by previous research by Finis, Djoko, and Si, Rares and Jopie Jorie (2015), Yasir Arrafat, (2018), Isnaini and Rimiyati, Monginsidi, Sepang, and Soepeno (2019), Anam, et al. , (2021), Faroh, (2017), Fatmaningrum, et al, (2020), (Indah, et al, 2020), Ma Easy and Tiarawati, (2014), (Amelisa, et al, 2016) and (Amron, 2018) which states that brand image has an influence on purchasing decisions.

4. Conclusion

Based on the results and discussion, it can be concluded that price, quality, and brand image affect purchasing decisions for NIKE products. Price has a significant effect on purchasing decisions for NIKE products; Quality has a significant effect on purchasing decisions for NIKE products; and Brand Image has a significant effect on purchasing decisions for NIKE products. The product management of Nike can improve product quality, brand image, and prices according to consumer desires, make better and higher quality at appropriate prices, maintain a good reputation, improve product quality with affordable prices, improve the better brand image to increase the reputation of Nike products. Future studies can observe other factors affecting product purchases to obtain broader information.

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