



## The Influence of Brand Image, Price and Product Quality on Purchase Decision

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### ABSTRACT

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PT. Cahaya Bintang Medan is a distributor of Richiwa brand furniture. The problems of the purchasing decisions were that the products price were more expensive than similar products from well-known brands, lack of marketing knowledge about the product advantages offered, and the consumers doubted the product quality. The research method used was the quantitative descriptive, the nature of research was the explanatory research. The research population is 192 respondents, by using the Slovin formula, the research sample obtained of 130 respondents, while 30 respondents for testing the validity and reliability with simple random sampling. The analysis method was multiple linear regression with classical assumption testing. The conclusion obtained from this research showed that the effect of brand image, price and product quality simultaneously has a positive effect on purchasing decisions. Partially the brand image of  $t_{count} 0.587 < t_{table} 1.65694$  and Sig.  $0.558 > 0.05$ , the price of  $t_{count} 1.185 < t_{table} 1.65694$  and Sig.  $0.238 > 0.05$ , the product quality of  $t_{count} 2.591 > t_{table} 1.65694$  and Sig.  $0.011 < 0.05$ . The results of determination coefficient test Adjusted R Square of 45%, it means that the purchasing decisions can be explained by the brand image, price and product quality, while the remaining 55% are other factors not examined by researchers.

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### 1. Introduction

Along with the development of the era of products, without realizing the human need for the development of the property business, creating new opportunities for the furniture industry business players are increasing. The furniture industry is a business field that has good prospects in regional and international markets. The furniture industry is a resource base from which the basic ingredients come from local produce, namely trees from which the wood is taken. The mabel manufacturing process can use pure real wood or processed wood (plywood, medium density fiberboard (MDF) and particle board (softboard). Softboard products are environmentally friendly products because their raw materials can utilize the waste products of the wood industry. Consumers like softboard products because they have advantages various forms, easy to disassemble and relatively cheap price.

Individual purchasing decisions in making each purchase are influenced by whether the product will be purchased or not, how to buy it, when and where to buy it. Buyers will enjoy or use the product or service they buy. Companies must pay attention to this to make products, make orders and determine the budget for promotion costs as well as marketing activities that are in accordance with the interests of buyers.



Brand image is a representation of all assumptions about the brand and is formed from information and past experiences of the company with the brand. Brand image is closely related to attitudes in the form of beliefs and tastes towards a brand. A positive image from consumers of a company's brand will be more likely to make a purchase. The price of an item is the amount of money spent on a product (goods or service) with a certain amount of money that must be spent by consumers for the benefits obtained from the product. The measure for consumers to buy each item is called price, consumers will experience problems in assessing the quality of a complex product offered to meet needs and wants. The product that consumers want is a product with good quality or quality, the price tends to be higher, if consumers want low quality or not too good then the price tends to be cheaper.

Good product quality is a seller's strategy that must be carried out by business actors to offer products to consumers. To get a quality product, consumers pay a higher price accordingly. Every company must pay attention to product quality, to be able to compete in the market. Companies must understand what the needs and expectations of consumers want. PT. Cahaya Bintang Medan is a manufacturing and trading company engaged in furniture, which is located at Jl. Pertahanan No. 111 Kel. Sigara Kec. Patumbak Kab. Deliserdang. The company produces furniture made of softboard particles under the trademark "Richiwa". The marketing area for this product covers the entire island of North Sumatra, Java and Kalimantan. In this study, researchers only conducted research specifically for outlet customers in the Medan city area.

From the observations of researchers, it was found that the problems that arise in consumer purchasing decisions are in the price of products that are more expensive than similar products from the brand which is already well known, lack of marketing knowledge of the advantages of the products offered and consumers doubt the quality of the product. In the brand image, the problem is that the Richiwa product brand is not yet well-known in the community, the special characteristics that stand out from the product do not yet exist, the pride of consumers having owned the brand's product has not yet emerged.

The problem with the price is that the price is above well-known competitors, there is no promo discount on the products being marketed, the company does not have a specific consumer target for the price of the product being marketed. The problem with product quality is that there is no guarantee from the company for the durability of the product, the number of production defects in the product dust pack, the lack of furniture spare parts in the dust pack. From the problems that arise, the researchers conducted research and chose the title "The influence of brand image, price and product quality on purchasing decisions for the Richiwa brand softboard at PT. Cahaya Bintang Medan".

Identification of problems :

- a. Richiwa's brand image is still not well-known compared to well-known brands circulating in the market before.
- b. Competitive product prices set by the company approach the price of similar products that already have a strong brand in the market.
- c. Product quality that is close to similar products with well-known brands makes many choices for consumers for products that are already on the market.
- d. Consumer purchasing decisions for Richiwa brand products are still not well known by the public.

## 2. Method

In this study, the researcher used a quantitative approach, the type of descriptive quantitative research and explanatory research. The population in this study there are 192 customer outlets PT.Cahaya Bintang Medan. This study uses random sampling with the Slovin formula, the research sample obtained 130 customer outlets, of which 30 outlets were taken from outside the sample as a test of validity and reliability.

Researchers in collecting data using interview techniques, questionnaires and documentation. The research model uses multiple linear regression analysis with the formula:  $Y = a + b_1X_1 + b_2X_2 + e$ .

## 3. Results and Analysis

### 3.1 Classical assumption test results

#### a. Normality test

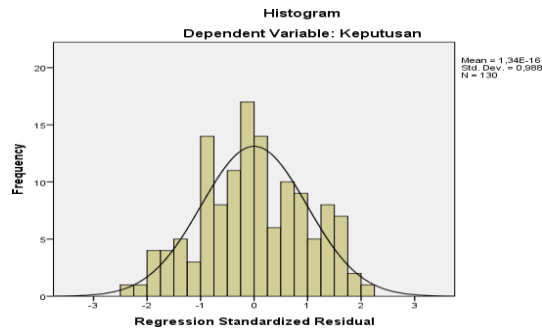


Fig 1. Histogram

It can be seen that the line forming the bell does not deviate to the left or right, so it can be said that the data from the histogram graph test is normally distributed.

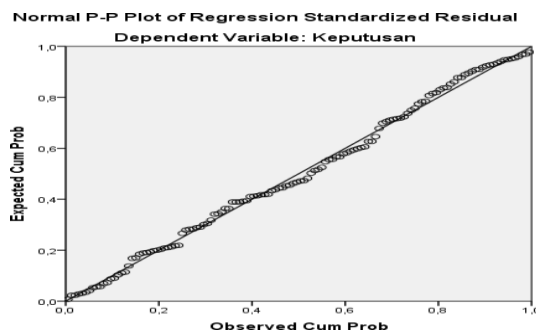


Fig 2. P-P Plot

From the picture, the data points are scattered around the diagonal line, the data spread is mostly close to the diagonal line, therefore the data is said to be normally distributed.

Table 1  
One-sample kolmogorov-smirnov test

		Unstandardized Residual
N		130
Mean		,0000000
Std.		
Normal Parameters <sup>a,b</sup>	Deviation	2,86624378
Absolute		,042
Positive		,042
Most Extreme Differences	Negative	-,042
Kolmogorov-Smirnov Z		,483
Asymp. Sig. (2-tailed)		,974

a. Test distribution is normal.  
b. Calculated from data.

In the Kolmogorov Smirnov test, the results obtained a significant value of  $0.974 > 0.05$ , the data results obtained that the results were normally distributed

Table 2  
Multicollinearity test

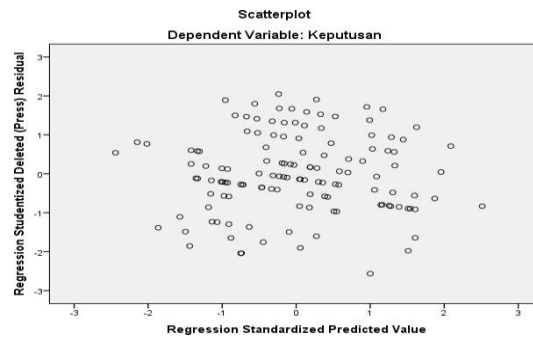
Model	Collinearity statistics	
	Tolerance	VIF
1	Brand image	,993
	Price	,991
	Produk quality	,996

a. Dependent Variable: purchasing decision

The tolerance value of the brand image variable is 0.993, the price is 0.991 and the product quality is 0.996 which is above 0.10. The VIF value of the brand image variable = 1.007, price = 1.010 and product

quality = 1.004 is below 10. The conclusion is the multicollinearity test results that there is no correlation between independent variables

**b. Heteroscedasticity test**



**Fig 3. Scatterplot**

In the scatterplot graph, a system of points of distribution of irregular patterns can be found that can be above or below zero (0) on the Y axis, the pattern is not collected in one place, thus it can be said that the scatterplot graph can be concluded that there is no heteroscedasticity.

**Table 3**  
Glejser Test

Model	Sig.
(Constant)	,524
1 Brand image	,709
Price	,524
Produk quality	,630

a. Dependent variable: ABS\_RES

In the glejser test, it can be seen that the Sig value of the brand image variable is  $0.709 > 0.05$ , the price variable is  $0.524 > 0.05$  and the product quality variable is  $0.630 > 0.05$ , so the results of the glejser test show that there is no heteroscedasticity problem.

**Table 4**  
Research Model

Model	Unstandardized coefficients		Standardized coefficients
	B	Std. Error	Beta
(Constant)	21,580	5,046	
1 Brand image	,058	,100	,051
Price	,167	,141	,102
Produk quality	,270	,104	,223

a. Dependent variable: purchasing decision

$$\text{Purchasing decision} = 21,580 + 0,058 \text{ brand image} + 0,167 \text{ price} + 0,270 \text{ kualitas produk} + 5\%$$

Explanation :

- A constant of 21.580 is obtained if the brand image, price and product quality do not exist, then the purchase decision is 21,580 units.
- The brand image regression coefficient is 0.058 and is positive, it is obtained if every 1 unit increase in brand image will increase purchasing decisions by 0.058 units assuming other variables remain.
- The price regression coefficient is 0.167 and is positive, it is obtained if every 1 unit price increase will increase the purchasing decision by 0.167 units assuming the other variables are fixed.
- The regression coefficient of product quality is 0.270 and is positive. It is obtained if every 1 unit increase in product quality will increase purchasing decisions by 0.270 units assuming other variables remain.



**Table 5**  
Coefficient of Determination

Model	R	R square	Adjusted R square	Std. error of the estimate
1	,259 <sup>a</sup>	,067	,450	2,900

a. Predictors: (constant), produk quality, brand image, price

**c. Dependent variable: purchasing decision**

In the coefficient of determination the value of Adjusted R square is 0.45, meaning that 45% is obtained from the variation of the dependent variable in purchasing decisions which can be explained by variations in the independent variables of brand image, price and product quality and the remaining 55% (100% - 45%) can be explained by another variable.

**Table 6**  
F Test

Model	Sum of squares	df	Mean square	f	Sig.
Regression	76,496	3	25,499	3,032	,032 <sup>b</sup>
Residual	1059,781	126	8,411		
Total	1136,277	129			

a. Dependent variable: purchasing decision

Predictors: (constant), brand image, price, produk quality

In the f test (simultaneous test) the fcount value is 3.032 > ftable 2.68 with a probability level of Sig. 0.032 < 0.05. It is obtained that Ha is accepted and Ho is rejected, meaning that brand image, price and product quality in the simultaneous test have a positive and significant effect on purchasing decisions.

**Table 7**  
t-Test

Model	Unstandardized Coefficients		Standardized coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	21,580	5,046		4,277	,000
1 Brand image	,058	,100	,051	,587	,558
Price	,167	,141	,102	1,185	,238
Produk quality	,270	,104	,223	2,591	,011

a. Dependent variable: purchasing decision

- a. In the partial t-test, the brand image value tcount 0.587 < ttable 1.65694 and the value of Sig. 0.558 > 0.05. H0 is accepted and H1 is rejected, meaning that the brand image partially has no positive and insignificant effect on the purchasing decision of PT. Cahaya Bintang Medan, thus the H1 hypothesis is rejected.
- b. In the partial t-test, the value of tcount 1.185 < ttable 1.65694 and the value of Sig. 0.238 > 0.05. H0 is accepted and H2 is rejected, meaning that the price partially has no positive and insignificant effect on the purchasing decision of PT.Cahaya Bintang Medan, thus the H2 hypothesis is rejected.
- c. The results of the t-test partially obtained the product quality tcount 2,591 > ttable 1,65694 and the value of Sig. 0.011 < 0.05. H3 is accepted and H0 is rejected, meaning that product quality partially has a positive and significant effect on purchasing decisions at PT. Cahaya Bintang Medan, thus the H3 hypothesis is accepted.

**3.2 Discussion**

**a. The influence of brand image on purchasing decisions**

The results of the t-test partially obtained the brand image value tcount 0.587 > ttable 1.65694 and the value of Sig. 0.558 > 0.05. H0 is accepted and H1 is rejected, meaning that the brand image partially has no positive and insignificant effect on the purchasing decision of PT. Cahaya Bintang Medan, thus the H1 hypothesis is rejected. This result is different from the researcher's hypothesis at the beginning of the study.

The answer to this research is in accordance with the results of Desy, Dewi and Rahmat's research (2017), entitled "The influence of brand image and price on purchasing decisions at the Sukma Medan



College of Management Sciences", that the partial test results state that brand image has no significant effect on purchasing decisions. . Where the value of the brand image regression coefficient has a smaller value and the value of Sig. greater than 0.05 or sig value  $>$  .

Purchasing decisions are actions taken by a consumer to make choices in the form of product selection, brand selection, conditions (discounts), and the number of purchases (Schifman and Kanuk, 2010:34-35).

The results of the questionnaire answers to the 6 questions answered by the respondents obtained that the highest majority of respondents chose brand image a value of 3 (41.9%) meaning that brand image affects purchasing decisions with a score of 3. With a good brand image, prospective consumers are facilitated in determining product choices. which one they want to choose to use in their life needs.

#### **b. Effect of price on purchasing decisions**

The results of the t-test partially obtained the value of tcount 1.185  $<$  ttable 1.65694 and the value of Sig. 0.238  $>$  0.05. H0 is accepted and H2 is rejected, meaning that the price partially has no positive and insignificant effect on the purchasing decision of PT.Cahaya Bintang Medan, thus the H2 hypothesis is rejected. This result is different from the researcher's hypothesis at the beginning of the study.

The answer to the results of this study is in accordance with the results of research by Malonda, Joyce and Yunita (2018), entitled "Analysis of brand image, product price and quality on purchasing decisions for samsung mobile phones at all cellular outlets at the Manado IT Center", that the partial test results state that price does not have a significant effect on purchasing decisions. Where the value of the price regression coefficient has a smaller value and the level of Sig.  $>$  .

The decision to buy by consumers is significantly determined by price determination (Lupiyoadi, 2011: 509). The results of the questionnaire answers to the 6 questions answered by the respondents obtained the highest majority of respondents answered the price of a value of 3 (48.1%) meaning that the price affects purchasing decisions with a score of 3. In the minds of consumers, the price offered is considered a reasonable price for the product.

#### **c. Effect of product quality on purchasing decisions**

The results of the t-test partially obtained the product quality value tcount 2,591  $>$  ttable 1,65694 and the value of Sig. 0.011  $<$  0.05. H3 is accepted and H0 is rejected, meaning that product quality partially has a positive and significant effect on purchasing decisions at PT. Cahaya Bintang Medan, thus the H3 hypothesis is accepted. This is in accordance with the researcher's hypothesis at the beginning of the study.

The answer to the results of this study is in accordance with the results of Rosita and Inne's research (2017), entitled "The influence of product quality and price on consumer purchasing decisions (a case study of online purchasing of SAMESAME Clothing T-Shirt products)", the results of the study obtained that product quality variables had a positive and positive effect. significant to the decision to purchase Samesame Clothing products.

Quality products will make it easier for consumers to make decisions to buy an item or service (Swastha and Handoko, 2012:102). The results of the questionnaire answers on 10 questions answered by respondents obtained the highest majority of respondents answered product quality with a value of 4 (42.5%) meaning that product quality affects purchasing decisions with a score of 4. The best quality product offerings provided by the company to consumers create consumer satisfaction in in the market.

## **4. Conclusion**

- a. From the partial test (t test) obtained the brand image value tcount 0,587  $<$  ttable 1,65694 and Sig value 0,558  $>$  0,05. H0 is accepted and H1 is rejected, meaning that the brand image partially has no positive and insignificant effect on the purchasing decision of PT. Cahaya Bintang Medan, thus the H1 hypothesis is rejected. This result is different from the researcher's hypothesis at the beginning of the study.
- b. From the partial test (t test) the value of tcount is 1.185  $<$  ttable 1.65694 and the value of Sig is 0.238  $>$  0.05. H0 is accepted and H2 is rejected, meaning that the price partially has no positive and insignificant effect on the purchasing decision of PT.Cahaya Bintang Medan, thus the H2 hypothesis is rejected. This result is different from the researcher's hypothesis at the beginning of the study.
- c. The results of the partial test (t test) obtained the value of product quality tcount 2.591  $>$  ttable 1.65694 and Sig value 0.011  $<$ 0.05. H3 is accepted and H0 is rejected, meaning that product quality partially has a positive and significant effect on purchasing decisions at PT. Cahaya Bintang Medan, thus the H3



hypothesis is accepted. This is in accordance with the researcher's hypothesis at the beginning of the study.

- d. In the f test (simultaneous test) the fcount value is  $3.032 > f_{table} 2.68$  with a probability level of  $\text{Sig. } 0.032 < 0.05$ . It is obtained that  $H_a$  is accepted and  $H_o$  is rejected, meaning that brand image, price and product quality in the simultaneous test have a positive and significant effect on purchasing decisions. In the determination test, the Adjusted R square value of 0.45 means that 45% is obtained from the variation of the dependent variable of purchasing decisions which can be explained by variations of the independent variables of brand image, price and product quality and the remaining 55% (100% - 45%) can be explained by other variables
- e. The results of the study obtained that the variable that greatly influences purchasing decisions (Y) is the product quality variable (X3)  $t_{count} = 2,591$ , then the price variable (X2)  $t_{count} = 1.185$  and brand image variable (X1)  $t_{count} = 0.558$ .

Suggestions for PT. Cahaya Bintang Medan to improve its operational activities in order to carry out the following stages: Product durability, Compliance with specifications, Product features, Product reliability, and Product aesthetics.

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