The Effect of Price Perception, Product Quality and Promotion on Purchasing Decisions Mediated by Brand Image

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Abstract
When consumers have limited time and social mobility due to demand or policy, frozen foods become an alternative as they have several service advantages: more convenient, more economical, faster, easier and can meet protein and health needs. Frozen foods were originally produced and intended for consumption by consumers engaged in various activities. So far, frozen food industry also has good prospects, based on lifestyle or lifestyle changes in today's society, especially among millennials.

This study aims to determine the relationship between the effects of price, product quality and promotional activities on brand image-mediated purchasing decisions for frozen food products at a retail location. RF store. This study used a sample of 150 respondents who were consumers of frozen food products studied using the structural equation model hypothesis test – Partial least squares (SEM-PLS) tool. to answer the research questions. The results show that brand image cannot play a mediating role in the product quality variable in the purchasing decision process, because the $\rho$-value is 0.125 and the T-statistical value is 1.535. Brand image is not a motivator/mediator to convince consumers to buy a product when it is associated with the quality of the product. At the same time, brand image can appear as a mediator between price perception variables in purchasing decisions, with a value of $\rho$ of 0.026, and can also appear as a mediator between promotion variables in the purchase decision, with a value of $\rho$ of 0.026 and 0.016. So, especially for frozen food products sold at RF store, brand image is considered to have the ability to entice consumers to purchase through price perception and promotion. Price perception and promotion are the most important variables in the consumer's mind but they also determine how the product can benefit and desire the consumer. The product is well trusted by the consumers and the consumer will be satisfied with the purchase or possession of the product.
Keywords: Price Perception, Product Quality, Promotion, Brand Image and Purchase Decision.

1. Introduction

The situation of the Covid-19 pandemic is still happening in Indonesia and has been going on for nearly 2 years but shows no sign of ending. This impact is very real and affects all spheres of life in the business world, including changes in people's behavior in everyday life. This epidemic situation is also affecting the national economic growth, especially the food and beverage industry. Of course, this will affect the current situation of the business as well as future changes. Some causes are due to changes in consumer behavior such as: shopping for necessity, near shopping, online shopping, want to save time and unexpected needs. In addition, restrictive social policies also lead to many economic and family difficulties. Activities cannot move freely, freely go anywhere, because many rules and regulations have been established, many activities are interrupted, no longer as free as before. Herlinda (2020) asserts that if the epidemic continues, it will be difficult for the actual region to recover because it takes a long time to restore consumer purchasing power and public confidence in consumption at the national level, which is the main driving force of it all. economic activity of the real sector at the national level. These conditions will inevitably lead to changes in consumer behavior in general. It is anticipated that every consumer will need ready-to-eat foods with a long shelf life (Lovell, 2011; Torregrosa, Echeverria, Illa & Giné-Bordonaba, 2019; Montero, Garrido, Gallardo, Tang & Ross, 2021) When consumers have limited time and social mobility due to demand or policy, frozen foods become an alternative as they have several service advantages: more convenient, more economical, faster, easier and can meet protein and health needs. Frozen foods were originally produced and intended for consumers engaged in a variety of activities who were unwilling or unable to prepare their own food (Lovell, 2011; Liu & Chen, 2021; Samsioe & Fuentes, 2022 Mattila, Egyptanta, Närvänen, Koskinen and Sutinen, 2019).

So far, frozen food industry also has good prospects, based on lifestyle or lifestyle changes in today's society, especially among millennials. As people begin to transition from traditional to modern, people begin to change or adapt to consumption patterns in developed countries, one of which is the use and consumption of food products. frozen (Hill & Maddock, 2019; Van Geffen, van Herpen, Sijtsema and van Trijp, 2020).

During the pandemic, the Riza Food company, which sells frozen food products, experienced problems related to distribution, service and sales due to changes in consumer behavior in buying a product which had an impact on slowing sales and market growth. The following is submitted sales data for frozen food products in 2018, 2019, 2020 and 2021, as follows:

Table 1.1 Sales Data 2018 - 2021

<table>
<thead>
<tr>
<th>No.</th>
<th>Year</th>
<th>Sales Value (Rp)</th>
<th>% Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>2018</td>
<td>3,093,657,800</td>
<td>-</td>
</tr>
<tr>
<td>2.</td>
<td>2019</td>
<td>3,861,000,247</td>
<td>24,80 %</td>
</tr>
<tr>
<td>3.</td>
<td>2020</td>
<td>4,127,855,651</td>
<td>6,91 %</td>
</tr>
<tr>
<td>4.</td>
<td>2021</td>
<td>4,356,339,814</td>
<td>5,54 %</td>
</tr>
</tbody>
</table>

Source: internal company data PT FRS, 2022
The marketer's obligation is to know and understand what is going on in consumer thinking, between the start of external marketing stimuli and the final purchase decision (Kotler and Keller, 2016: 200). One of the ways marketers often increase sales is by providing good service, sharpening distribution strategies through the addition of distribution channels and shortening the distribution channel from producers to consumers.

However, along with changes in the marketing system and changes in tastes and orientations of consumers, companies must definitely rethink their marketing activities, to be closer to consumers. Promotion is one of the easiest marketing activities to use to reach consumers and has the ability to build consumer awareness in the direction that marketers want. Promotion can be used as a marketing strategy model involving a combination of several old models such as brand image, price perception and purchase decision (Jiang, Shang and May, 2015). Consumer behavior research can indicate what consumers need based on what they want, their moods, their feelings and choice of product brands (Nisar, 2014). Rahdini (2014) asserts that brand plays an important role in consumer preferences in choosing products, followed by factors related to price, product quality and packaging. According to Nguyen and Gizaw (2014), brand is not a factor affecting consumers in choosing a product but is influenced by compatibilities of price and quality (Yi, Zhao & Joung, 2018; Mappesona, Ikhsani & Ali, 2020; Niedermeier, Emberger-Klein and Menrad, 2021; Wantara and Tambrin, 2019).

In this study, the researchers propose an analytic model, specifically by predicting brand image as a mediator of the relationship between price perception, product quality, promotion and buying decision. This model is an alternative that researchers can suggest as we know that advertising and brand image are often considered as key variables of any marketing activity (Sood and Keller, 2012; Keller 2009; Erdeem, Kuksov and Peters 2016). This study is also supported by the view of Afwan and Santosa (2020) that product quality, perceived price, service quality and brand image have an influence on purchasing decisions, whereby quality quantity of products has the strongest influence. Research by Napik et al (2018) shows that between price perception, product quality, brand image and promotional activities all have a significant influence on purchasing decisions. Hermiyenti and Wardi (2018) argue that between promotion, price and brand image there is a significant direct influence on purchasing decision.

2. Literature Review Price Perception

Schiffman and Kanuk (2008) explains that price perception is a perception or opinion related to price and that customers perceive a product's price as low, high, and reasonable, which can have a strong influence on purchasing goals and purchase satisfaction. Price perception can be understood as the amount of certain benefits that a consumer demands to obtain a product or service (Tjiptono and Chandra, 2020).

Price perception can be determined by the perceived cost and perceived quality of the consumer when purchasing a product (Monroe, 2003). In this study, the theory of Kotler and Armstrong (2016) clarifies that price perception can be measured using indicators influenced
by: The price is compatible with the product quality, the price is compatible with the advantage, the price is competitive, the price is affordable.

Product Quality
In Kotler and Keller (2016) explains that product and service quality as a result of consumer satisfaction and corporate profits are interdependent. The higher the quality level of the product, the higher the level of customer satisfaction will be. Product quality can also be expressed by the ability of the product to perform its functions, including overall benefits in terms of durability, reliability, and ease of use (Kotler and Armstrong, 2017). Product quality can be measured using the theory of Tjiptono and Chandra (2020) states that product quality is affected by a number of indicators: performance quality, reliability, extras, specification compliance, and durability.

Promotion
In Tjiptono and Chandra (2020) explains that promotion is, in principle, marketing communication, which includes a number of marketing activities aimed at providing, disseminating information, persuading, influencing, and reminding the company's target market and products. company products so that consumers can buy, accept, and stay loyal to the company's products. products offered by the company. Under certain conditions, promotional activities are commercial activities that can influence other parties. In particular, promotion is one of the components of a company's marketing mix. Promotion can also be defined as a marketing communication mechanism, exchanging information between buyers and sellers (Setyaningrum, 2015). In this study, promotion can be measured by metrics of advertising, sales promotion, public relations and advertising, personal selling and direct marketing (Simamora, 2017).

Brand Image
Kotler and Armstrong (2017) explains that brand image is the perception and belief that exists in the consumer's mind and is reflected in the associations that occur in the consumer's memory. Kotler and Keller (2016) also explains that brand image can be affected by a number of factors such as: attributes, benefits, uses, values, culture and personality. Kotler and Armstrong (2016) argue that brand image can be measured by indicators of strength, uniqueness and preference.

Purchase Decision
Schiffman and Kanuk (2008) assert that the purchase decision is the act of choosing some choice or alternatives, the other objectives are alternatives that must be available to someone when making a decision. Meanwhile, Setiadi (2011) asserts that the purchase decision is an integrated series of processes that can combine knowledge, evaluate several alternative behaviors, and choose one of these options. The purchase decision is the next step after the existence of the consumer's intention and desire to purchase, but the purchase decision is not the same as the actual purchase decision.
(Morissan, 2015). Kotler (2012) argues that purchasing decisions can be measured using indicators of product stability, product buying habits and recommendations to others.

Conceptual Framework

Figure 2.1 Research Conceptual Framework
Source: Researcher’s Thought, 2022

Research Hypothesis

H1 : Price perception affects brand image.
H2 : Product quality has a positive and significant effect on brand image.
H3 : Promotion has a positive and significant effect on brand image.
H4 : Price perception has a positive and significant effect on purchasing decisions.
H5 : Product quality has a positive and significant effect on purchasing decisions.
H6 : Promotion has a positive and significant effect on purchasing decisions.
H7 : Brand image has a positive and significant effect on purchasing decisions.
H8 : Price perception has a positive and significant effect on purchasing decisions with brand image as a mediating variable.
H9 : Product quality has a positive and significant effect on purchasing decisions with brand image as a mediating variable.
H10: Promotion has a positive and significant effect on purchasing decisions with brand image as a mediating variable.

3. Research Methods

This study uses a quantitative approach with a survey method. The population used is consumers who come to Riza Food outlets in the Gresik area, East Java, a sample of 150 people taken using purposive sampling method. The analytical tool used to test the hypothesis in this study is Structural Equation Modeling (SEM).
4. Discussion

Structural Model Test (Inner Model)
Testing the inner model is used to test the possible relationship between latent constructs. The inner model consists of a structural model, inner relation and substantive theory which can describe the relationship between latent variables based on substantive theory. The inner model can be tested by looking at the R-square, Q-square, path coefficient and indirect effect values to obtain important information on how much the dependent latent variable can be influenced by the independent latent variable, as well as the significance test results to test the significance value of the influence or relationship between variables (Ghozali & Latan, 2015). The results of the Smart PLS analysis can be shown in the following figure.

R-Square Test
Based on the presentation of data in Table 4.1, it can be seen that the R-Square value for the variable price perception, product quality and promotion is 0.506. The acquisition of this value explains that the percentage of price perceptions, product quality and promotion can be explained by brand image by 50.6%, which means that these variables can indicate a moderate category value. Then for the R-Square value obtained from the purchase decision variable is 0.570. This value explains that price perceptions, product quality and promotion can be explained by purchasing decisions by 57.0%, which means that these variables can indicate a moderate category value. In addition, this model also shows that the R-Square of brand image of 0.506 is smaller than the R-Square of purchasing decisions of 0.570, meaning that the model is good and appropriate in this study.
Goodness of Fit Test

The goodness of fit assessment can be seen from the \( Q\)-Square value, this value has a meaning identical to the coefficient of determination (\( R\)-Square) in regression analysis, where the higher the \( Q\)-Square value, the better or more fit the model is with the data. The results of the calculation of the \( Q\)-Square value are obtained from the approach used by the following formula (Hengky and Ghozali, 2012):

\[
Q\text{-Square} = 1 - ([1 - R^2_1] \times [1 - R^2_2]) \\
= 1 - [(1 - 0.506) \times (1 - 0.570)] = 1 - (0.494 \times 0.430) \\
= 0.787
\]

Based on the results of the above calculations, the \( Q\)-Square value is 0.787. This value shows the magnitude of the diversity of the research data described in the research model is 78.7%. While the remaining 21.3% is explained or influenced by other factors that are outside this research model. Thus, from these results, this research model can be declared to have good and positive goodness of fit.

Direct Effect Test (Path Coefficient Test)

Based on the results of the direct effect test, the following hypothesis is explained:

| Variables | Original Sample (O) | T-Statistics (|O/STDEV|) | P-Values | Ket. |
|-----------|---------------------|--------------------------|----------|------|
| H1: Price Perception -> Brand Image | 0,258               | 2,942                    | 0,003    | Accepted |
| H2: Product Quality -> Brand Image | 0,201               | 2,217                    | 0,027    | Accepted |
| H3: Promotion -> Brand Image | 0,388               | 4,935                    | 0,000    | Accepted |
| H4: Price Perception -> Purchase Decision | 0,060             | 0,635                    | 0,526    | Rejected |
| H5: Product Quality -> Purchase Decision | 0,236             | 2,452                    | 0,015    | Accepted |
| H6: Promotion -> Purchase Decision | 0,320              | 2,972                    | 0,003    | Accepted |
| H7: Brand Image -> Purchase Decision | 0,283              | 2,826                    | 0,005    | Accepted |

Source: Primary data processed (2022)
Based on the *T-Statistics* and *P-Values* values in table 4.2 above, the following explanation can be given:

1. **The effect of price perception on brand image: H1**
   Testing the price perception variable (X1) on brand image (Z) obtained a coefficient value of 0.258 indicating a positive direction. Because the *T statistics* value of 2.942 is still above 1.96 and the *p-value* of 0.003 is smaller than 0.05, it is concluded that Ho is rejected and H1 is acceptable, thus there is a positive and significant effect of the price perception variable (X1) on brand image (Z).

2. **The effect of product quality on brand image: H2**
   Testing the product quality variable (X2) on brand image (Z) obtained a coefficient value of 0.201 indicating a positive direction. Because the *T statistics* value of 2.217 is above 1.96 and the *p-value* of 0.027 is smaller than 0.05, it is concluded that Ho is rejected and H2 is acceptable, thus there is a positive and significant effect of the product quality variable (X2) on brand image (Z).

3. **The effect of promotion on brand image: H3**
   Pengujian variabel promosi (X3) terhadap citra merek (Z) diperoleh nilai koefisien 0.388 menandakan arah positif. Because the *T statistics* value of 4.935 is above 1.96 and the *p-value* of 0.000 is smaller than 0.05, it is concluded that Ho is rejected and H3 can be accepted, thus there is a positive and significant effect of the promotion variable (X3) on brand image (Z).

4. **The effect of price perception on purchasing decisions: H4**
   Testing the price perception variable (X1) on purchasing decisions (Y) obtained a coefficient value of 0.060 indicating a positive direction. Because the *T statistics* value of 0.635 is still below 1.96 and the *p-value* of 0.526 is greater than 0.05, Ho is accepted and H4 is rejected, thus there is a positive but insignificant effect of the price perception variable (X1) on purchasing decisions (Y).

5. **The effect of product quality on purchasing decisions: H5**
   Pengujian variabel kualitas produk (X2) terhadap keputusan pembelian (Y) diperoleh nilai koefisien 0.236 menandakan arah positif. Because the *T statistics* value of 2.452 is above 1.96 and the *p-value* of 0.015 is smaller than 0.05, it is concluded that Ho is rejected and H5 can be accepted, thus there is a positive and significant effect of the product quality variable (X2) on purchasing decisions (Y).

6. **The effect of promotion on purchasing decisions: H6**
   Testing the promotion variable (X3) on purchasing decisions (Y) obtained a coefficient value of 0.320 indicating a positive direction. Because the *T statistics* value of 2.972 is above 1.96 and the *p-value* of 0.003 is smaller than 0.05, it is concluded that Ho is rejected and H6 can be accepted, thus there is a positive and significant effect of the promotion variable (X3) on purchasing decisions (Y).

7. **The effect of brand image on purchasing decisions: H7**
   Testing the brand image variable (Z) on purchasing decisions (Y) obtained a coefficient value of 0.283 indicating a positive direction. Because the *T statistics* value of 2.826 is above
1.96 and the $\rho$-value of 0.005 is smaller than 0.05, it is concluded that Ho is rejected and H7 can be accepted, thus there is a positive and significant effect of the brand image variable (Z) on purchasing decisions (Y).

**Indirect Effect Test**

Testing the indirect effect is done by looking at the results of testing the path traveled, if all the paths traveled are significant then the indirect effect is also significant, and if there is a non-significant path then the indirect effect is said to be non-significant. The indirect effect path coefficient is presented in the following table:

| Variables | Original Sample (O) | T Statistics (|O/STDEV|) | P Values | Ket. |
|-----------|---------------------|---------------------------|----------|------|
| H8 : Price Perception -> Brand Image -> Purchase Decision | 0,073 | 2,231 | 0,026 | Accepted |
| H9 : Product Quality -> Brand Image -> Purchase Decision | -0,057 | 1.535 | 0,125 | Rejected |
| H10: Promotion -> Brand Image -> Purchase Decision | 0,110 | 2,412 | 0,016 | Accepted |

Source: Primary data processed (2022)

The results of data processing based on the presentation of table 4.3 *T-Statistics* and *P-Values* above, it can be seen that the hypothesis proposed in this study can explain the relationship between variables, as follows:

8. The effect of price perception on purchasing decisions through brand image mediation: H8 Testing the variable price perception (X1) on purchasing decisions (Y) through brand image mediation (Z) obtained a coefficient value of 0.073 indicating a positive direction. Because the *T statistics* value of 2.231 is above 1.96 and the $\rho$-value of 0.026 is smaller than 0.05, it is concluded that Ho is rejected and H8 can be accepted, thus there is a positive and significant effect of the price perception variable (X1) on purchasing decisions (Y) through brand image mediation (Z). Based on these results, it is stated that the brand image variable (Z) can partially mediate the price perception variable (X1) on purchasing decisions (Y).

9. The effect of product quality on purchasing decisions through brand image mediation: H9 Testing the product quality variable (X2) on purchasing decisions (Y) through brand image mediation (Z) obtained a coefficient value of 0.057 indicating a positive direction. Because the *T statistics* value of 1.535 is below 1.96 and the $\rho$-value of 0.125 is greater than 0.05, it is concluded that Ho is accepted and H9 is rejected, thus there is a positive but insignificant effect of the product quality variable (X2) on purchasing decisions (Y) through brand image mediation (Z).
mediation (Z). Based on these results, it is stated that the brand image variable (Z) cannot partially mediate the product quality variable (X2) on purchasing decisions (Y).

10. The effect of promotion on purchasing decisions through brand image mediation: H10 Testing the promotion variable (X3) on purchasing decisions (Y) through brand image mediation (Z) obtained a coefficient value of 0.110 indicating a positive direction. Because the \( T \) statistics value of 2.412 is above 1.96 and the \( p\)-value of 0.016 is smaller than 0.05, it is concluded that Ho is rejected and H10 can be accepted, thus there is a positive and significant effect of the promotion variable (X3) on purchasing decisions (Y) through brand image mediation (Z). Based on these results, it is stated that the brand image variable (Z) can partially mediate the promotion variable (X3) on purchasing decisions (Y).

Based on the results of research conducted at Riza Food company for frozen food products, there are several things that can be used as further policy improvements as follows:

a. This study shows that price perception has a positive but insignificant effect on purchase decision. And it turns out that most consumers who buy frozen foods in stores are unaffected by price perception as long as the prices remain reasonable and affordable. Consumers are more interested in considering aspects of product quality, aspects of promotions carried out and the influence of aspects of product branding.

b. Price perception can have a positive and significant impact on purchasing decisions when mediated by brand image. This means that the brand image plays a very important role in sales, because consumers pay more attention to the brand image than the price perception, because only the product is good and has a good reputation. If the product is good, consumers will still buy it, as long as the product is good. Good. still needed.

c. It turns out that most consumers who buy frozen food are more concerned with the quality assurance aspect of the product and the promotions carried out. In addition, the product must be good, safe, beneficial, and must meet the demand when there is a need. Especially since the product can be consumed at any time, it has a long enough shelf life in the frozen state and is even very easy to serve and relatively quick to prepare.

d. It turns out that promotions can have a positive and significant impact on purchasing decisions directly without intermediating brand image, which can be demonstrated from the results of the initial sample value of 0.320 is greater than the value 0.110.

e. In the future, stores should take steps to increase sales by selling new products and new brands. In addition, attractive packaging and grammatical adaptation of the product are sales determinants.

f. Because product quality has a positive but insignificant effect on purchasing decisions, even when mediated by brand image. But the effect will be stronger if the product quality has a direct positive and significant impact on the purchase decision without being affected by the brand image. Because most consumers who buy frozen food value the quality aspect of the product.

g. This study shows that brand image is effective only when applied as a mediating influence on price perception and purchase decision. In addition, this brand image is also
effective when used as an intermediary to influence promotional activities in the buying decision process.

5. Conclusion
Based on the results of testing all hypotheses on frozen food products that have been carried out in this study, the following conclusions can be drawn:
1) Price perception has a positive and significant effect on brand image.
2) Product quality has a positive and significant effect on brand image.
3) Promotion has a positive and significant effect on brand image.
4) Price perception has a positive and insignificant effect on purchasing decisions.
5) Product quality has a positive and significant effect on purchasing decisions.
6) Promotion has a positive and significant effect on purchasing decisions.
7) Brand image has a positive and significant effect on purchasing decisions.
8) Price perception has a positive and significant effect on purchasing decisions mediated by brand image variables.
9) Product quality has a positive and insignificant effect on purchasing decisions mediated by brand image variables.
10) Promotion has a positive and significant effect on purchasing decisions mediated by brand image variables.

Based on the results of research, discussion and conclusions obtained on frozen food products, the recommendations that can be given are as follows:
1. The sample taken in the consumer purchase model point (1) is expected to be taken more heterogeneously in the form of samples from population groups with premium segments so that a clearer picture of consumer expectations of products can be obtained and contribute to improving marketing strategies.
2. In future studies, the determination of research variables is expected to pay more attention to the factors that form the basis of routine consumer purchasing patterns as control variables for consumer behavior research on low involvement products.
3. For further researchers, it is recommended to use samples that have almost the same characteristics and characteristics so that it is easier to get results and conclusions.
4. Can be used as a reference for further researchers who will examine the same concept, namely the effect of price perceptions, product quality and promotion on purchasing decisions with brand image variables as mediating variables.

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