

## **Effect Of Brand Image And Price Perception On Purchase Decision**

Nusrainu Hajar Hastuti Moh. Amin Sinarwaty Nursaban Rommy  
Abdul Razak Yusuf Nofal Nur

*Faculty Of Economics And Business, Halu Oleo University*  
*Corresponding Author: Nusrainu Hajar Hastuti Moh*

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**Abstract.** :This study aimed to determine the effect of brand image and price perceived to purchasing decision on Oppo smartphones in Kendari City. Sampling technique in this research is accidental sampling method. The number of samples in the study of 60 respondents. The data analysis used is linear regression analysis using SPSS 24 software aid.

The result of the research shows that the brand image and price of the smartphones in Kendari city, either partially or simultaneously.

**Keywords** - Brand Image, Price Perceived And Purchasing Decision

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### **I. INTRODUCTION**

Advances in information and communication technology increasingly sophisticated will be a potential business opportunity for the company. One of the products that is currently contested by many manufacturers is Cellular Phone. The phenomenon that occurs today that people want something practical that makes the company must be aware about a community needs for mobile phone products.

Cell Phones are a fast growing communication tool from year to year. Many emerging new brands in the competitive world of Cell Phones are competing to create their superior products. Based on this, resulting in the level of competition among similar companies increasingly competitive and faced with consumers who are increasingly selective in choosing products from a company. Companies must prepare appropriate marketing strategies for their products. Products offered by the marketplace should be able to gain consumer interest in buying and using the product. Now the innovation made by Cellular Phone manufacturers (mobile phones) is to create *Smartphone* or smart phone products. Smartphones (smartphones) are high-level mobile phones, sometimes with a computer-like function. One of the cell phone manufacturers that created the smart phone is the *Oppo smartphone*. Oppo is one of the companies involved in the telecommunication business, developing various innovations that can provide alternative choices to consumers.

In Indonesia, Oppo Smartphone has increased its market share from the previous year from 16.7% to 25.5%. Market share (Market share) is one indicator of the assessment of whether or not a brand dibenak consumer which will greatly affect the purchase decisions to be made consumers. One measure of success in marketing is the ability of a product to maintain and increase its market share (Kotler and Keller, 2009).

Before consumers make a decision to buy, usually consumers through several stages in advance that is the introduction of problems, information search, alternative evaluation, buying decisions or not and post-purchase behavior. Purchasing decisions made consumers involve consumer confidence in a product so that there is confidence over the correctness of actions taken. Consumers will consider which products will be selected to meet their needs and wants as well as the benefits required.

Therefore, every company is required to be able to compete and manage an effective strategy, so it can affect consumer purchasing decisions. Currently the company's competition to compete with consumers is no longer limited to product functional attributes such as product usability, but is already associated with the brand. Brands of a product can provide added value to its customers who are declared as brand image. Basically the brand image is an impression that there is in the minds of consumers about a brand which is shaped by the message and consumer experience of the brand, thus raising the image that is in the minds of consumers (Kotler & Keller, 2007: 332).

A strong and positive image will be essential for a product to be able to work with similar products. Other factors who are considered by consumers in membe li a product is the price. H arga is the amount of value that consumers exchange for the benefit of owning and using products or services that allow the company to earn a reasonable profit by being paid for the value of the customer it creates.

Research on brand image, price perception and previous purchase decisions has been made. Yuli Harwani and Shindy Ramadiyani Pradita (2017) showed that brand image had a significant positive effect on purchasing decision, but research conducted by Siti Nurhayati (2017) showed that brand image had no significant effect on purchase decision. Other research was also conducted by Charlie Bernardo Halomoan Samosir and Arief Bowo Prayoga K (2015). The results showed that price perceptions have a significant positive effect on purchasing decisions, but research conducted by Nanda Octaviana (2016) shows that price perception has no effect on purchasing decisions.

Looking at the phenomenon of smartphone manufacturers in Indonesia and the increase in Oppo smartphone market share and research that has been done before, the authors are interested in conducting research entitled "**The Influence Of Brand Image And Price Perception Of Oppo Smartphone Purchasing Decision In Student Faculty Of Economics And Business University Of Halu Oleo Kendari**".

## **II. LITERATURE REVIEW**

### **Brand Image**

Brand image (*brand image*) according to Kotler and Keller (2007: 332) is an impression in the minds of consumers about a brand that it is formed by konsumen mengenai brand message and experience, resulting in images that are in benak konsumen. According Aaker in Simamora, (2003: 96) brand image is a unique set of associations that marketers want to create or nurture. The associations state what the brand is and what it promises to consumers. Schiffman and Kanuk (2000) define that brand image is a collection of associations about a brand that is stored in the mind or consumer memory. Brand image (*brand image*) and a good product will encourage prospective buyers to purchase such products rather than buying the same products with other brands.

#### **Components Brand image (Brand Image)**

The component of brand image (*brand image*) according to Simamora (2011) consists of three parts, namely:

1. The image of the maker (*corporate image*), which is a set of associations perceived by consumers to the company that makes a good or service.
2. User image (*user image*), which is a set of associations perceived by consumers to users who use a good or service.
3. Product image (*product image*), which is a set of associations perceived by consumers of a good or service.

#### **Indicators Brand image (Brand Image)**

According to Keller (1993 : 3 ) the factors that shape the brand image ( *brand image* ) are:

1. Strength of brand association (*strength of brand association*); depending on how information enters the consumer's memory and how that information persists as part of the *brand image* .
2. The keenness of the brand association (*favourability of brand association*) ; the success of a marketing process often depends on the process of creating a profitable brand association, whereby consumers can trust their attributes to satisfy the needs and wants of consumers.
3. The uniqueness of *brand association*; a brand must have a competitive advantage that is the reason for consumers to choose a particular brand. The uniqueness of the brand association can be based on product noise, product functionality and image that consumers enjoy.

### **Price Perception**

Tjiptono (2008: 151) states that price is the only element of the marketing mix that provides income or income for the company. Paul Peter and Jerry Olson (2000: 28) state that the price perception is related to how price information is understood entirely by consumers and gives a deep meaning to them .

In decision making, according to Fandy Tjiptono (2008: 152). price has two main roles, namely :

1. The role of allocation, which helps buyers to decide how best to obtain the expected benefits in accordance with the ability of its purchasing power.
2. The role of information, which educates consumers about the factors of products sold, such as quality.

#### **Price Perception Indicator**

According to Stanton (1998: 308), there are four indicators that characterize the price:

1. Affordability of the price, ie the price fixing aspect made by the producer or seller in accordance with the purchasing ability of the consumer.
2. Price competitiveness, ie price quotes provided by different producers / sellers and competing against those given by other producers, on the same type of product.
3. Price compliance with product quality, that is price determination aspect done by producer / seller according to product quality that can be obtained by consumer.
4. Compatibility of prices with product benefits, ie price-fixing aspects undertaken by producers / sellers in accordance with the benefits consumers can obtain from purchased products.

### **Buying decision**

According to Kotler & Armstrong (2008: 226) purchasing decisions are the stage in the buying decision process, in which the consumer actually buys. Meanwhile, according to Tjiptono (2008: 156) consumer purchase decision is an individual action that is directly or indirectly involved in the business of obtaining and using a product or service required.

### **Factors Affecting Purchase Behavior**

According to Philip Kotler (2008: 166) consumer buying behavior is influenced by several factors, namely:

1. Cultural factors consist of culture, sub culture, and social class
2. Factor social consists of the reference group, the family, the role and status.
3. Factor personal consists of age and life cycle stage, occupation, economic circumstances, lifestyle, as well as the buyer's personality and self-concept.
4. Psychological factors consist of motivation, perception, learning, and belief and establishment.

### **Purchase Decision Process**

According to Kotler & Armstrong (2012: 152) there are 5 (five) stages of the purchasing process, namely:

1. The introduction of needs, which is a buying process begins when the buyer recognizes the problem or needs.
2. Information search is a decision-making process of buyers, where consumers are moved to seek additional information, consumers may simply increase the attention or may also seek information actively.
3. Alternative evaluation is the stage where consumers use information to evaluate alternative brand alternatives.
4. Making purchasing decisions merupakan stage where consumers are making decisions terhadap merek which finally decided to buy.
5. Post-purchase behavior is the stage where consumers take further action after making a purchase based on satisfaction or dissatisfaction with the products they have used.

### **The Influence of Brand Image on Consumer Purchase Decision**

Brand image is a representation of the overall perception of the brand and formed from the information and knowledge of the brand. Positive brand image can affect consumer confidence in the quality of a product. This is certainly pushing the amount of demand for these products. Consumers who have a positive image of a brand will be more likely to make purchases (Buchari, 2004).

### **Influence of Price Perception on Consumer Purchase Decision**

Paul Peter and Jerry Olson (2000: 28) state that the price perception is related to how price information is understood entirely by consumers and gives a deep meaning to them. Thus, an assessment of the price of a product is said to be expensive, cheap or ordinary of each individual is not the same, because it depends on the individual perception that is motivated by the environment of individual life and condition. Many things related to the price that makes consumers choose a product to have, such as consumers choose a product because it really wants to feel the value and benefits of the product, because it sees the opportunity to have the product at a price cheaper than usual, making it more economical, because there is a chance to get a gift from purchasing the product, or because it wants to be considered another consumer that knows a lot about the product and wants to be considered loyal. Therefore, harga is one of important variable in marketing because price can influence consumer in taking decision to buy a product.

### **The Influence Of Brand Image And Price Perception Of Consumer Purchase Decision**

Purchasing decisions is the behavior or actions of a person to buy or use a product in the form of goods or services that have been believed would satisfy him and willingness in menanggung risk might cause. Purchasing decisions can be taken by considering the experience and brand image of a product which is believed by the consumer. In addition the price also menjadi important consideration for consumers who are less aware of a product sebelum melakukan purchasing decisions. Consumers who are not familiar with a product brand usually make a short purchase decision considering the price.

Brand image and price has an important role as consumer consideration in making purchasing decisions on a product. Consumers will pay attention to the brand image and price before purchasing

## **III. METHODOLOGY**

This type of research is a causal associative with a quantitative approach. Causal associative research is a research by looking for a relationship or causal influence, namely the relationship or the influence of independent variables (X) on the dependent variable (Y). The populations in this study include consumers,

yaitumasyarakat in the city of Kendari yang purchase Oppo *smartphone*. The metode used in sampling is *accidental sampling*, which is a sample determination technique by chance, meaning anyone who by chance met with the researcher can be used as a sample, when viewed by the person who happened to meet it is suitable as data source. The number of samples in this study were 60 people.

To know the influence of brand image and price perception toward purchasing decision used multiple linear regression analysis technique. According to Santoso and Ashari (2005), multiple linear regression analysis is a regression equation by using two or more independent variables. The general form of multiple linear regression as quoted in Sugiyono (2009), namely:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

Where :

Y = Purchase decision

$\alpha$  = Constants

$X_1$  = Brand Image

$X_2$  = Price Perception

$\beta_1$  = Regression coefficient of Brand Image variable

$\beta_2$  = Regression coefficient variable of Price Perception

e = Standard Error

#### IV. RESULT AND DISCUSSION

##### Multiple Linear Regression Test Results

The results of calculations using SPSS tools obtained results such as follows:

Results of Multiple Linear Regression Analysis						
Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,564	1,263		2,821	0,007
	BRAND IMAGE	0,446	0,052	0,719	8,636	0,000
	PRICE PERCEPTION	0,228	0,088	0,215	2,584	0,012

a. Dependent Variable: DECISION OF PURCHASE

Source: Primary data that is processed, 2018

Thus, the regression equation is as follows:

$$Y = 0.719 X_1 + 0.215 X_2$$

##### Hypothesis testing

###### 1. Test t

The t test is used to determine whether there is influence of the brand image and the price perception partially or individually to the purchase decision. The calculations on the testiparsial (Test t) can be seen on the above. Based on the test results, it is known that:

1. Variabel brand image has a value of 8.636  $t_{count} > t_{table}$  2.002 with a significance value of 0.000 which is smaller than  $\alpha = 0.05$  and the regression coefficient has a positive value of 0.719. Based on these results, it can be concluded that "brand image ( $X_1$ ) have a positive and significant impact on purchasing decisions (Y)". That is, the image of the brand that has been formed by Oppo smartphone is positive because it is able to push consumer purchasing decisions. Oppo successfully created a smartphone with features different from its competitors and always keep up with the latest technological developments. This makes Oppo has a position dibenak consumer, because consumers perceive Oppo as a smartphone that has the characteristics, superior and prestigious.

2. Price perception variable has a value of 2.584  $t_{count} > t_{table}$  2.002 with a significance value of 0.012 which is smaller than  $\alpha = 0.05$  and a coefficient regresimempunyai positive value of 0.215. Based on these results, it can be concluded that "price perceptions ( $X_2$ ) have a positive and significant effect on purchasing decisions (Y)". Thus, it can be concluded that the price of Oppo smartphones by consumers perceived well, because the better the perception of the price by consumers the higher the influence in determining purchasing decisions.

###### 2. Test F

Test F basically shows whether all the independent variables included in the model have an effect simultaneously on the dependent variable.

**Simultaneous Test Results (F Test)**

ANOVA <sup>a</sup>						
	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	172,611	2	86,306	86,247	,000 <sup>b</sup>
	Residual	57,039	57	1,001		
	Total	229,65	59			
a. Dependent Variable: DECISION OF PURCHASE						
b. Predictors: (Constant), PERCEPTION PRICE, BRAND IMAGE						

Source: Primary data that is processed, 2018

Based on the above table, from the F test results obtained  $F_{\text{calculated}}$  value of 86,247 >  $F_{\text{table}}$  of 3.16 with a significance level of 0.000 < 0.05, then this means brand image ( $X_1$ ) and price perceptions ( $X_2$ ) simultaneously have a positive and significant effect on purchase decision (Y). From these results can be concluded that the brand image and consumer perceptions of the price of a product is an important factor that must be considered by a company, because brand and price has an important role as consideration of consumers in making purchasing decisions on a product. Consumers will pay attention to the brand image and price before purchasing decision ukan Melak that what they get is comparable to the money they spend to get the product.

**3. Coefficient of Determination ( $R^2$ )**

The coefficient of determination ( $R^2$ ) is used to measure how far the regression model in explaining the variation of the dependent variable.

**Coefficient Test Result Dermination ( $R^2$ )**

Model Summary			
R	R Square	Adjusted R Square	Std. Error of the Estimate
,867 <sup>a</sup>	0,752	0,743	1,00034
a. Predictors: (Constant), PERCEPTION PRICE, BRAND IMAGE			

Source: Primary data that is processed, 2018

Based on the above table, *Rsquare* value of 0.752 (75.2%). This shows that the magnitude of the influence of brand image and price perception on purchasing decisions is 75.2%, while the rest of 24.8% is influenced by other factors not included in this study.

**V. CONCLUSION**

Based on the research and discussion , it can be concluded as follows:

1. Brand image has a positive and significant impact on the decision of Oppo *smartphone* purchase in Kendari city. That is, the higher the brand image in the consumer's mind the higher the consumer purchase decision.
2. Price perceptions have a positive and significant impact on the decision to purchase Oppo *smartphones* in Kendari city . That is , the perception of the price becomes one of the considerations for aconsumer in determining the level of purchase decisions.
3. Brand image and price perception have a positive and significant effect on Oppo *smartphone* purchase decision in Kendari city. That is, the higher the brand image and the perception of prices in the minds of consumers, the higher the decision of one's purchase.

**VI. SUGGESTION**

Based on the conclusions obtained, it may be suggested or recommended as follows:

1. For the Company
  - a) Considering the price affordability indicator , price conformity with product quality, price conformity with competitive advantage and price are expected to give the price according to the criterion of the indicator , because price perception gives influence to the decision of consumer purchasing Oppo *smartphone*.
  - b) As a smartphone with a well-known brand, Oppo *smartphones* are advised to enhance a positive brand image in the eyes of consumers, with the company always upholding the existing brands and maintaining the quality and quantity of the products it generates, so that people's purchasing decisions on Oppo *smartphones* are getting higher.

2. For Further Researchers

Researchers can further develop this research by doing research on other factors that can influence consumer purchasing decisions , such as corporate image , brand trust, customer satisfaction , service quality and other variables. The greater factor of brand image and price perception of purchasing decisions

is 75.2% and 24.8% is a factor - other factors affecting consumer purchase decisions examined in the study of factors other than the next ini. Peneliti can also develop this research USING dal am researching other methods and persepsi harga brand image, for example, through in-depth interviews with respondents , so that the information obtained can be more varied than the answers that have been available.

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