

# **Influence of Brand Images and Prices on Consumer Purchase Decisions at PT. Unza Vitalis In Makassar**

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## **ABSTRACT**

*The purpose of this study are: 1) to determine and analyze the influence of brand image on consumer purchasing decisions at PT. UnzaVitalis in Makassar, 2) to find out and analyze the influence of prices on consumer purchasing decisions at PT. Unza Vitalis in Makassar.*

*The analytical method used in this study is a multiple regression analysis method. Research data obtained from product customers of PT. Unza Vitalis in Makassar. The research approach is an explanatory causal approach. The results showed that 1) variable brand image had a positive and significant effect on consumer purchasing decisions at PT. Unza Vitalis in Makassar. This means that the better the company's brand image, the consumer purchasing decisions will increase, and 2) price variables have a positive and significant effect on consumer purchasing decisions at PT. Unza Vitalis in Makassar. This means that according to the price offered by the company, consumer purchasing decisions are increasing.*

**Keywords:** Brand Image, Price and Purchase Decision

## **INTRODUCTION**

One of the company's goals is in the form of optimal product sales for marketed products. The nature of consumers who are more selective in determining what is their choice makes the company compete to provide something that suits the needs and desires of prospective buyers. Fixing, innovating and listening to what consumers say is the key to the success of a product

and service that is being and will be developed. According to Kotler and Armstrong (2014: 274), stating that purchasing decisions are a stage in the decision-making process of buyers where consumers actually buy. Decision making is an individual activity that is directly involved in obtaining and using the goods offered. Sangadji and Sopiah, 2013: 121), the core of consumer decision making is the process of

integration which combines knowledge to evaluate two or more alternative behaviors, and choose one of them.

Ideally, marketers must always design a brand image development program in marketing activities and conduct activities that support marketing to strengthen the brand. The strength of the brand involves two things, namely consumer perception of the brand and consumer loyalty to the use of the brand. Consumers in choosing a product brand will go through the trial stage first, at this stage consumers will often try different brands. If the brand feels suitable and meets what is expected from similar products, then consumers will continue to look for the brand. Brand or brand is the name, term, sign, design symbol or combination that identifies a product or service produced by a company (Nurhayati, 2017).

In addition to brands, other factors that directly influence the company's income level are prices. Prices will be an important consideration for consumers in deciding their purchases. Consumers will compare the price of their

chosen product and then evaluate whether the price is appropriate or not with the product value and the amount of money that must be spent. Traditionally prices have been treated as the main determinant of purchases. Price is also a consideration for consumers in choosing the product to be used. Therefore, the world of product businesses, especially cosmetic products, are competing to attract the interest of the community and decide to buy and use their products. This is also a step or the way a company gives satisfaction to their consumers who have used certain types of products (Nurhayati, 2017).

Not only does it retain its customers and increase its production, PT UnzaVitalis does several innovations to keep up with the current market. By opening online shopping because online shopping is a lot of things done by consumers because it is considered easier and more practical. Plus if consumers believe the product from PT UnzaVitalis itself, they will buy the product directly without having to look at the item before buying it. The technology of making PT UnzaVitalis products is also

developed in line with the development of the technology itself and also the product needs. PT Unza Vitalis in terms of marketing also innovatively markets its products through various diverse events and also directly on the intended target so that it is more effective in its marketing system.

## **LITERATURE REVIEW**

### **Brand Image**

#### **1. Definition of Brand Image**

Image is a set of beliefs, ideas, and impressions that are owned by a person towards an object (Kotler, 2013: 299). Images can be formed through stimuli that come from outside as a message that touches or is called information received by someone. Developing a strong image requires creativity and hard work. Images cannot be implanted in the human mind overnight or spread through mass media. Instead, the image must be conveyed through each means of communication that is available and distributed continuously. According to Kotler and Keller (2012: 230) image is a public perception of the company or its products.

Brand image is an impression obtained by a brand from its market share. Brand image can be defined as a perception that arises in the minds of consumers when remembering a brand of a particular product. Brand image is a description of the association and consumer confidence in a particular brand. A number of quantitative and qualitative techniques have been developed to help reveal consumer perceptions and associations to a particular brand (Tjiptono, 2010: 112). Brand image is a representation of the overall perception of the brand, and is formed from information and past experience on the brand. (Susanto, 2012: 180). Brand image is a consumer's understanding of the brand as a whole, consumer trust in a particular brand, and how consumers perceive or have a perception of a brand.

#### **2. Brand Image Indicators**

Often the image of a brand is associated with an abstract picture of the product, this image may be the result of a marketing action that has been planned in advance or solely the result of interaction and market perception. Various associations that consumers remember can be

assembled so as to form an impression of the brand (brand image). Brand image is presenting the entire brand that is formed from information and past experience of the brand (Pringle and Thompson, 2011: 164) dimensions or indicators of brand image, among others, as follows:

- a. Professional Impressions: products have expertise in their fields.

Professionalism where the product/service has a professional impression or has expertise in the field of sale.

- b. Modern impression: the product has a model that is not outdated Modern, products/services have a modern impression or have technology that is always up to date.

- c. Can be used easily and useful Popular to consumers which is a strategy to get into the customer's mind well

- d. Concern for consumers which is an approach of customer orientation

- e. Serving All Segments: The company's products are able to serve all existing segments, not only serving special segments.

Serving all segments of society that represent the values and programs of caring for the environment and social responsibility.

Brand image or brand image is a perception of a brand that is a reflection of consumer memory of its association with the brand. Pringle and Thompson, (2011: 203), mention the brand image indicators are as follows:

- a. Quality or quality, related to the quality of goods / services offered by the company as a manufacturer with a particular brand.

- b. Trustworthy or dependable, relating to opinions or opportunities formed by the community about a product consumed.

- c. Usefulness or benefits, which are related to the function of a product that can be used by consumers.

- d. Services related to the duties of producers in serving their customers.

- e. Risk, related to the size of the profit and loss that may be experienced by consumers.

- f. Prices that in this case relate to the high or low or the large amount of money spent by consumers to influence a product, can also affect the long-term image.
- g. The image is owned by the brand itself. namely in the form of views, agreements and information relating to a brand of a particular product.

Basically brand image (brand image) is influenced by several factors that are interrelated and have a relationship between one another. According to Ranguti, (2014: 39) these factors include:

- a. Brand personality  
Is a derivative factor from the brand image of a company. It means that consumers who are accustomed to using certain brands tend to have a commitment to brand image.
- b. Brand loyalty (brand loyalty)  
In this factor consumers assume that certain brands are physically based on competitor brands, the brand image will be attached continuously so that it can form loyalty to a particular brand.
- c. Brand awareness (brand awareness)

The ability of a prospective buyer to recognize or recall that a brand is part of a particular product category.

- d. Perceived quality

Customer perception of the overall quality or superiority of a product or service is related to the intended purpose. Buyers generally want to pay more for attractive style products.

## **Price**

### **1. Definition of Price**

Prices are often a determining factor in purchases, besides not covering other possible factors. Price is one of the important variables in marketing where prices can affect consumers in making decisions to buy a product for various reasons. According to Kotler (2013:257), price is the value of an item or service that is measured by a sum of money based on the value of a person or company willing to release goods or services owned by other parties. Loyal customers will also pay attention to the prices set for the products they use

Prices according to Kotler and Armstrong (2014:430) are the amount of money paid for goods or

services, or the amount of value that consumers exchange in order to benefit from owning or using goods or services. While the perception of price is the consumer's response to the value set by the company towards a product. In the price variable there are several main elements of price activities which include price lists, discounts, price discounts, and payment periods (Kotler and Armstrong, 2014: 52). In order to be successful in marketing an item or service, every company must set the price correctly.

## 2. Price Indicators

Kotler and Armstrong (2014: 278) prices are not just numbers on the price tag, but prices have many forms and carry out many functions. Leases, tuition fees, fees, wages/fees, interest, rates, storage fees, salaries, and commissions are all prices that you must pay to get goods or services. Swastha and Sukotjo, (2014: 209) stated that one of the principles for management in determining this price is to focus on the willingness of the buyer for a predetermined price with an amount sufficient to cover costs and generate

profits. The indicators of the price are:

- a. Price level  
Which includes the ability of consumers in identifying a price, where the company offers service prices with an offer of quality experience for consumers.
- b. Discounts  
That includes season discounts which are price reductions for buyers who make off-season purchases or certain events.
- c. Price suitability  
Which includes the ability of consumers to compare prices with the value obtained and budgeted funds.
- d. Terms of payment  
Associated with how consumers will pay for service products to be purchased are usually in cash and credit, depending on the organization's policy.

Price is the value stated in currency (Rupiah) or other monetary medium as a medium of exchange. Price is one of the important factors in terms of service providers to win a competition in marketing their products, therefore prices must be set. Indicators that characterize

prices according to Kotler (2013: 278) are:

- a. Affordability in price, which is the actual price of a product written on a product, which must be paid by the consumer.
- b. Price compatibility with product quality, namely the extent to which design and operating characteristics meet existing standards.
- c. Price competitiveness, namely the ability of the price of the product to compete with competitors in the market.
- d. Price compatibility with benefits, namely as perceived benefits in accordance with the price paid

## **Purchase Decisions**

### **1. Definition of Purchase Decisions**

Schiffman and Kanuk (2010: 274), a decision is the choice of a choice of two or more alternative choices. In other words, for someone to make a choice, alternative choices must exist. When someone has a choice between buying or not buying, a choice between brand X or brand Y, or the choice to do A or B, that person is in a position to make a decision. Kotler (2013: 166) suggests

that the consumer purchasing decision process consists of five stages carried out by a consumer before arriving at the purchase decision and then after purchase. This shows that the buying process carried out by consumers begins long before the buying action is carried out and has consequences after the purchase is made.

Kotler and Keller (2012: 193), the structure of purchasing decisions made by consumers, namely:

#### a. Product Selection

Consumers take the decision to buy a product or use the money for other purposes. In this case the company must focus its attention on people who are interested in buying the product.

#### b. Brand Selection

Consumers must make decisions about which brand to buy. Every brand has its own differences. In this case the company must know how consumers choose a brand.

#### c. Selection of Purchase Channels

Consumers must make decisions about which dealer to visit. Every consumer is different in

terms of determining the supplier, this is caused by the factors of close location, low prices, complete inventory, convenience of shopping, the breadth of the place and so on.

d. Purchase Time

Consumer decisions in the time of purchase can vary, for example there are those who buy every day, once a week, biweekly, even once a month depending on their needs.

e. Payment method

Consumers must make decisions about the method or method of payment of the product purchased, whether in cash or in installments. In this case, the company must know the buyer's desire for the payment method.

## 2. Stages of Purchase Decisions

Kotler and Keller (2012:195), consumers go through five stages in purchasing decisions. Where the actual purchase process has begun long before the actual purchase occurred and has consequences far after the purchase occurred. Each decision step can be explained as follows:

a. Problem recognition

The process starts when consumers recognize a need or problem that becomes the first stage of the buyer's decision-making process where consumers recognize a problem or needs, where the buyer feels the difference between the real situation and the desired situation. This need can be triggered by internal and external stimuli.

b. Information Search (Information search)

The stage where the buyer's decision-making process is where consumers are interested in finding more information; consumers may only increase attention or may actively seek information.

c. Alternative Evaluation

At this stage consumers use existing information to evaluate alternative brands in a choice structure.

d. Purchase decision

At this stage consumers actually buy products that are their choice.



e. Postpurchase behavior

At this stage consumers take further action after purchase based on satisfaction or feeling of dissatisfaction they feel that is determined based on consumer expectations and perceived performance. Because after buying a product, consumers will experience a certain level of satisfaction or dissatisfaction. Marketers must monitor satisfaction, actions and use of post-purchase products. Because buyer satisfaction is a function of how close the expectations of buyers or a product with the perceived performance of the buyer of the product. Because if a consumer is satisfied, he will show a higher probability of buying back the product, and dissatisfied consumers react otherwise.

**Factors Affecting Purchase Decisions**

Keller (2011:208) consumer behavior in buying products or services is influenced by culture, social, personal, and psychological factors.

a. Culture

Culture is a fundamental or fundamental determinant of one's desires and behavior. Each culture consists of a smaller subculture that provides identification and socialization that is more specific to its members. Subcultures include citizens, religions, races and geographical areas. Social classes also form a culture where members are formed based on the caste of the member. Social classes are not only income, but education, occupations, and residential areas.

b. Social

Consumer behavior is also formed by social factors, such as reference groups, families, and social roles and status.

c. Personality

Buyer decisions are also influenced by personality traits such as age and stage in the life cycle, occupation and the state of the economy, lifestyle, and personality and self-concept.

d. Psychology

A person's buying behavior is influenced by four main factors of psychology, namely

motivation, perception, learning, and beliefs and attitudes.

### Previous Research

Research on the influence of brand image and prices on consumer purchasing decisions has been carried out by previous researchers, including:

1. Wulandari and Iskandar (2018)

The results of the t test showed that the brand image variable had a significant effect on purchasing decisions with  $t_{count} 2,432$  and  $t_{table} 1,660$  and the product quality variable had a significant effect on purchasing decisions with  $t_{count} 5,693 \geq t_{table} 1,660$ . Variable brand image and product quality simultaneously have an influence on purchasing decisions.

2. Supangkat (2017)

Partial test results or t test shows brand image, product quality, and the price of the bag purchase decision at Intako is significant. This condition is indicated by the significant gain of each independent variable less than  $\alpha = 5\%$ . Simultaneous testing results show that the influence

used as a joint research model on bag purchase decisions at Intako is significant. This is supported by the results of the correlation coefficient of 82.8% indicating the relationship between the independent variables together with the purchase decision of the bag in Intako has a relationship.

3. Oktaveni (2016)

The results of data analysis show that (1) there is a significant positive influence between brand image on consumer purchasing decisions, (2) there is a significant influence between prices on consumer purchasing decisions, (3) there is a significant influence between brand image, price, product quality and consumer attitudes toward consumer purchasing decisions on Sari Ayu lipstick in Padang City.

### ANALYSIS METHOD

The data analysis method used in this study is multiple regression analysis which is used to determine the effect of independent variables (X), namely brand image and price on the dependent variable

(Y), namely the consumer purchasing decision. Sugiyono (2013: 103), to test the hypothesis in this study used the following model:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + e$$

## RESEARCH RESULT

### Hypothesis Testing

#### a. Test Result F

Simultaneous testing (F-test) was conducted to determine whether all independent variables  $X_i$  (brand image and price) simultaneously had a

positive and significant effect on the dependent variable Y (purchasing decision). Thus the regression equation can be used to measure whether the independent variables simultaneously have a positive and significant effect on the dependent variable. This can be seen from the results of Anova analysis presented in the table as follows:

Table 1. Anova Analysis Result Table

		ANOVA <sup>a</sup>				
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	14.038	2	7.019	100.959	.000 <sup>b</sup>
	Residual	5.006	72	.070		
	Total	19.043	74			

a. Dependent Variable: Purchase Decisions

b. Predictors: (Constant), Price, Brand Image

The table above explains that all  $X_i$  independent variables (brand image and price) have a positive and significant effect on the dependent variable Y (purchasing decision) at PT. UnzaVitalis in Makassar. The Fcount value is 100.959 with a significance level of 0.000 or p value <0.05. This means that simultaneously all independent

variables have real differences with 0.

#### b. Test Result t

The presentation of the results of multiple regression analysis of research data is intended to express the regression equation that has been obtained. This can be seen from the results of the test analysis of the Regression Coefficient and Significance Level in the table as follows:

Table 2. Regression Coefficients and Significance Levels Table  
Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.519	.279		1.861	.067
	Brand Image	.596	.086	.589	6.911	.000
	Price	.289	.073	.335	3.938	.000

a. Dependent Variable: Purchase Decisions

From the table it can be seen that partially, all analysis variables have different probabilities (significance levels). The t-count value of each independent variable consisting of brand image and price of the dependent variable is (purchasing decision) at PT. UnzaVitalis in Makassar, with the following multiple regression equations:

$$Y = 0,519 + 0,596X_1 + 0,289X_2$$

The results of multiple regression can be interpreted as follows:

1. Constant value ( $\beta_0$ ) of 0.519 shows consumer purchasing decisions (Y) at PT. Unza Vitalis in Makassar is not determined by the variable brand image (X1) and price (X2).
2. The coefficient  $\beta_1 = 0.596$  indicates that if the brand image variable (X1) is increased then the consumer purchase decision (Y) at PT. Unza Vitalis in

Makassar will experience an increase of 59.6%.

3. The coefficient  $\beta_2 = 0.289$  indicates that if the price variable (X2) increases then the consumer purchase decision (Y) at PT. Unza Vitalis in Makassar will experience an increase of 28.9%.

The presentation of the results of the analysis is intended to express the multiple regression equations obtained. From the equation it is also known that all regression coefficients from the analysis are positive. This means that the relationship between the dependent variable and the independent variable has the same direction of change. If the intensity of implementation is carried out on certain independent variables, or all independent variables can be jointly improved, the consumer purchasing decisions at PT. UnzaVitalis in Makassar will

increase. Conversely, if the intensity of implementation is reduced, then the consumer purchasing decision at PT. UnzaVitalis in Makassar will decline.

**c. Determination Coefficient Test ( $R^2$ )**

The simultaneous effect of Xi variable on Y variable can also be known from the coefficient of determination simultaneously ( $R^2$ ). This can be seen from the results of the Simultaneous Determination analysis presented in the table as follows:

Table 3. Result of Simultaneous Detemination Analysis Table

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.859 <sup>a</sup>	.737	.730	.26367

a. Predictors: (Constant), Price, Brand Image

From the table shows that the correlation coefficient (R) of 0.859 shows the relationship between the variable Xi (brand image and price) with variable Y (purchasing decision) at PT. UnzaVitalis in Makassar amounted to 85.9%. The value of  $R^2 = 0.737$  means that the effect of Xi variable (brand image and price) simultaneously on variable Y (purchasing decision) at PT. UnzaVitalis in Makassar is 73.7% and the influence of other variables is 26.3%. This influence is classified as good because of its influence above 50%, and significant

(Pvalue) = 0,000 (very far below the critical value of testing  $\alpha = 0.05$ ).

**DISCUSSION**

**Effect of Brand Image on Purchase Decisions**

Brand image is an interpretation of the accumulation of various information received by consumers. The interpreter is the consumer and what is interpreted is information. Interpretation results depend on two things. First, how consumers interpretation and second, what information is presented. Brand image has a positive and significant effect on

consumer purchasing decisions at PT. UnzaVitalis in Makassar.

This means that brand image is an important factor for the marketing success of an organization. The formation of a good image can be used as strength by the company to attract potential consumers and retain existing customers. A positive perception will form a positive brand image too. Consumers tend to make brand image as a reference before purchasing a product/ service. So, the company must be able to create an attractive brand image while describing the benefits of the product in accordance with the wishes and needs of consumers so that consumers have a positive image of the brand.

### **Effect of Prices on Purchase Decisions**

Price is the amount of value exchanged by consumers for the benefits of the product or service purchased whose value is determined by the seller. Product pricing is an important thing to be done by companies whether profit oriented or not. Prices have a positive and significant effect on consumer

purchasing decisions at PT. UnzaVitalis in Makassar.

This means that PT. UnzaVitalis in Makassar has succeeded in providing prices that are in accordance with the ability of consumers for the company's products so as to provide advantages that one of them has a positive impact on purchasing decisions. Price is everything that is given to customers to get the advantages offered by the company's marketing mix. Through the prices offered by the company through the products and services offered, the consumer can determine the interest in buying products of PT. Unza Vitalis in Makassar. the price is flexible which means it can be adjusted quickly. This is evident from the price competition that often occurs in the marketing industry.

### **CONCLUSION**

Based on the results of research and discussion, the conclusions in this study are:

1. Variable brand image has a positive and significant effect on consumer purchasing decisions at PT. UnzaVitalis in Makassar. This means that the better the company's brand image, the

more consumer purchasing decisions.

2. Price variables have a positive and significant effect on consumer purchasing decisions at PT. Unza Vitalis in Makassar. This means that according to the price offered by the company, consumer purchasing decisions are increasing.

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