

THE INFLUENCE OF PRICE, PRODUCT QUALITY, AND BRAND IMAGE ON INDOMIE'S PURCHASE DECISION IN TASIKMALAYA

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Abstract

Background: In Indonesia, the number of instant noodle brands on the market makes consumers have a variety of choices and is a challenge for business actors to encourage their product purchase decisions.

Purpose: The purpose of this study is to test how the purchase decision of Indomie instant noodles is influenced by three independent variables, namely price, product quality, and brand image.

Design/methodology/approach: The research conducted in Tasikmalaya focuses on the people of Tasikmalaya. Data collection was carried out by a questionnaire dissemination strategy combined with purposive sampling techniques. This survey was given to 100 respondents who bought Indomie at least three times every month. The data obtained from the questionnaire distribution will be processed using the analytical capabilities contained in the SPSS software. The validity and reliability of each question item is indicated by the results. The regression model meets the assumptions of multicollinearity, autocorrelation test, and normality.

Findings/Result: Findings show that price, product quality, and brand image influence consumer decisions.

Conclusion: Price, product quality, and brand image help Indomie maintain its dominance in the instant food market by meeting consumers' expectations for quality, price, and good brand image.

Originality/value (State of the art): The novelty of this study lies in testing the purchase decision of Indomie instant noodles in market conditions that already have a high level of brand recognition, so that price, product quality, and brand image are no longer the main determinants of purchase decisions in the study respondents.

Keywords: Brand image, Price, Purchase Decision, Product quality.

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INTRODUCTION

Technological advances are expanding the range of food that is important to Indonesia. Now more and more alternative foods are available. In Indonesia, instant noodles are a very popular substitute food. Customers can choose a variety of instant noodle products because of the many instant noodle brands available on the market. Giving customers the choice to choose whether to consume a certain instant noodle product or not is a difficulty for business actors.

Because instant noodles are unhealthy, their popularity as a substitute in Indonesia has a bad impact on society as a whole. The production of instant noodles does not need to be stopped just because it is known that excessive use of the food can have negative impacts. In fact, the instant noodle market in Indonesia is still growing. The production of instant noodles in Indonesia is growing in a healthy manner.

Table. 1 Indomie Top Brand Rating for 2020-2024

Year	Prosentase
2020	70,50%
2021	72,90%
2022	72.90%
2023	72,50%
2024	71,20%

Source: *Top Brand Instant Noodle Category*

Based on the list of Top Brands of instant noodles above from 2020 to 2024, it can be seen that Indomie has experienced a significant increase. Indomie's rate in 2020 was 70.50%, in 2021 Indomie increased very significantly. In 2021, it increased from 70.50 to 72.90% in 2021. Then in 2022 it will be 72.90%. And this number will decrease by 72.50% in 2023. Then in 2024 it will fall again by 71.20%. Top Brand is an index that measures how a thing performs from year to year. Judging from the volatile sales fluctuations, Indomie's customer interest is uncertain.

According to research cited by Nasution et al. (2019), price has minimal influence on customer purchase decisions. Additional results from related research by Fatmaningrum et al. (2020) show that the quality of goods has a good and significant influence on purchasing decisions. Supu et al. (2021) found that the quality of goods has no effect on consumer decisions about what to buy. New research by Pratimi et al. (2020) shows that brand image has a significant and positive influence on consumer purchasing decisions. Daisy et al. (2018) found that brand image has no real impact on consumer purchasing decisions.

The purpose of this study is to find out how price, product quality, and brand image affect consumer decisions in purchases.

Price is a measuring tool to assess customer satisfaction when buying a product. Consumers are more likely to buy a product or service even if the price is higher if they are satisfied with what they receive or if they meet their expectations. In general, price is the amount of price exchanged for the customer's value of what the customer receives in exchange for the production and use of goods and services. Price is an attribute of the marketing mix and is carefully chosen because there are several strategic prices. In other words, price is proof of the value of a product, and since price is part of the elements of the marketing mix in a company's organization, it affects the small profit and most of the market share. Pricing is flexible and prices can affect brand image and strategy (Woen & Santoso,

2021). According to Kotler & Armstrong (2018), price is the money that customers spend to obtain the use, benefit, or ownership of a good or service.

The capacity of a product or service to meet the needs of all its features and offerings, according to Jurnal Suprano and Hermiati (2021). Customers are happy when reviews show that the items they use are of exceptional quality. Customer satisfaction and quality are closely linked. qualities that enable customers and businesses to form strong bonds. Product quality can be defined as the long-term benefits that customers can receive from products and services, ranging from primary (core) benefits to additional benefits (additional/extensive). This relationship helps businesses understand the needs and expectations of their customers. Ultimately, satisfied customers will be loyal to a business that delivers acceptable quality.

Darmansah and Yosepha (2020) in their journal article define brand image as the total public perception of a corporation. A company's brand includes several of the impressions it leaves on potential customers, including the name, architecture, product offerings, customs, values, and level of communication that each employee demonstrates when interacting with them and facilitating the buying process.

According to Arianto and Difa (2020), purchasing decisions are the actions of consumers searching, offering, evaluating, and purchasing products and services that they expect to meet their needs. On the other hand, according to the Miasi Journal (2020), there are four indicators, namely Stability, Purchase, Purchase Decision, Purchase because it meets my wants and needs, and Purchase because it gets a recommendation.

The Effect of Pricing on Purchase Decisions

Price is a factor that buyers consider when making a purchase. When choosing what to buy, price is the most crucial consideration. Many customers often refuse to make a purchase because of the price. If the goods are offered at reasonable prices and good quality, customers will choose to buy them (2021). Some customers misinterpret cost as quality. Pricing has been studied extensively and is one of the main concerns of customers. Tjiptono's research (2020) divides product quality into eight categories, one of which is cost. One of the things that allegedly affects customers' purchasing decisions is price. According to research, offering competitive prices and high-quality products can increase consumer satisfaction and encourage purchases.

H1: Price has a significant effect on purchasing decisions

The Influence of Product Quality on Purchase Decisions

To support, help, or maintain a product's position within the company's goals, every organization must determine the level of quality of the products it produces. Product quality also has a positive and considerable influence on purchase decisions, according to Fatmaningrum et al. (2020).

H2: Product Quality has a significant effect on purchasing decisions

The Influence of Brand Image on Purchase Decisions

Although brand image is a necessary prerequisite, Miasi (2020) notes that a strong brand can entice consumers to consider it when making purchasing decisions. A customer's perception of a brand is shaped by the information they learn about the brand. According to research by Pratimi et al. (2020), brand impressions have a large and beneficial impact on consumer purchasing decisions.

H3: Brand image has a significant impact on purchasing decisions.

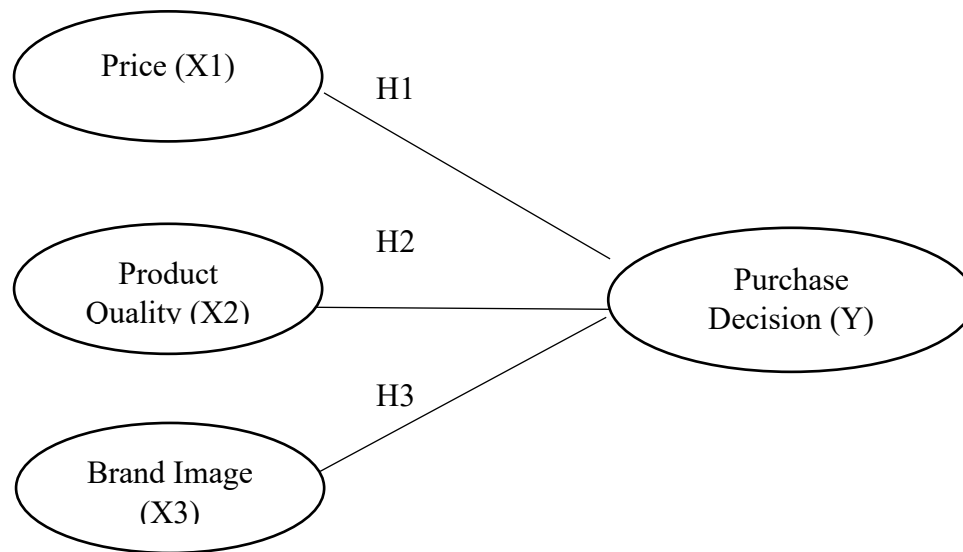


Figure 1. Frame of Mind

METHODS

Tasikmalaya is the location of this research. People who live in Tasikmalaya are the focus of this research. This type of research is known as quantitative research, and it uses questionnaires to collect data for analysis. For this study, primary and secondary data are needed. The first data used in this study was obtained through an anonymous survey, sometimes called a questionnaire, and the secondary data was obtained from Top Brands Indonesia. In this study, multicollinearity, autocorrelation, validity, reliability, and normality tests were used as analysis techniques. Sugiyono (2019).

RESULTS AND DISCUSSION

Before using multiple regression analysis to analyze the data, assumptions of regression assumptions such as validity, reliability, normality, and multicollinearity are assumed.

Table 1.1 Validity Test

No	Variabel	Kuesioner	Sig (2 tailed)	Pearson correlation	R tabel	keterangan
1	Harga X1	P1	0,000	0.761	0,195	Valid
		P2		0.847		Valid
		P3		0.867		Valid
2	Kualitas Produk X2	P1		0.707		Valid
		P2		0.827		Valid
		P3		0.842		Valid
		P4		0.856		Valid
		P5		0.879		Valid
		P6		0.885		Valid
		P7		0.744		Valid
3	Citra Merek X3	P1		0.847		Valid
		P2		0.770		Valid
		P3		0.868		Valid

No	Variabel	Kuesioner	Sig (2 tailed)	Pearson correlation	R tabel	keterangan
4	Keputusan Pembelian Y	P4		0.872		Valid
		P5		0.857		Valid
		P1		0.823		Valid
		P2		0.874		Valid
		P3		0.917		Valid

The correlations report produced by the researchers showed that the value of sig. (2tailed) for the relationship or correlation between all items with an overall score of 0.000, which is less than 0.05. Thus, it can be concluded that all objects are considered valid.

The r-value of the table of 0.195 was determined from the distribution of the r-table niali at a significant level of 5%, with the number of samples $N = 100$.

Next, we made a comparison between the r value obtained from the SPSS output with the r value in the dataset. It can be concluded that all question items are genuine, because the calculated r value for all question items exceeds the table rvalue by 0.195, which becomes the criterion for the validity test.

Question items serve as appropriate data collection tools in the research, ensuring the investigation, ensuring the investigation can be continued because all items have been deemed valid.

Table 1.2 Reliability Tests

No	Variabel	N of Item	Cronbach's Alpha	Cut Off	Keterangan
1	Harga X1	3	0.769	0.60	Reliabel
2	Kualitas Produk X2	7	0.919	0.60	Reliabel
3	Citra Merek X3	5	0.897	0.60	Reliabel
4	Keputusan Pembelian Y	3	0.841	0.60	Reliabel

The SPSS output provides information about the sample size (N) analyzed in this program, which is 100. All entries are original as no data is lost, resulting in a 100% validity rate.

Based on Cronbach's Alpha questionnaire value greater than 0.60, it can be concluded that all questions are reliable. All elements in the questionnaire are considered reliable and consistent, making it a viable data collection tool for research, thus facilitating the continuity of the research.

Table 1.3 Kolmogrov-Smirnov normality test

One-Sample Kolmogorov-Smirnov Test

		Unstandardize d Residual
N		100
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	2.27846057
	Absolute	.068

Most Extreme Differences	Positive	.049
	Negative	-.068
Test Statistic		.068
Asymp. Sig. (2-tailed) ^c		.200d
Monte Carlo Sig. (2-tailed) ^e	Say.	.312
	99% Confidence Interval	
	Lower Bound	.300
	Upper Bound	.324

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. This is a lower bound of the true significance.
- e. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 1314643744.

Asymp Value. A sig (2.-tailed) of 0.200 is greater than 0.05 which indicates statistical significance, according to the SPSS output table. The data can be considered normally distributed based on the previously mentioned standards to evaluate whether the data pass the Kolmogorov-Smirnov test thus, the normality conditions have been met by the regression model.

Table 1.4 Multi-Anylity Test

Model	Collinearity statistic	
	Tolerance	LIVE
(Recorded)		
(X1)	0,469	2.130
(X2)	0,287	3.488
(X3)	0,244	4.099

As mentioned earlier, the tolerant values of X1, X2, and X3 are 0.469, 0.287, 0.244 > 0.10. The VIF values for X1, X2, and X3 are 2,130, 3,488, 4,099 and all are less than 10. Multiple regression models can be implemented to perform additional evaluations, as illustrated in Table 1.4. Multiple regression analysis is used to produce the regression equations listed below:

$$y = a + b_1x_1 + b_2x_2 + b_3x_3$$

Description:

y = Purchase decision

a = Constant Coefficient

$b_1 - b_3$ = Regression Coefficients

x_1 = Pricing

x_2 = Product Quality

x_3 = Brand Image

Table 1.5 Coefficient of Determination

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.179a	.032	.002	2.31379

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

b. Dependent Variables: Purchase Decisions

In this study, the f-test was used to ascertain the collective impact of the variable. The results of the f test are as follows.

Table 1.6 F Test

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.053	3	5.684	1.062	.369b
	Residual	513.947	96	5.354		
	Total	531.000	99			

a. Dependent Variable: Purchase Decision

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

The t-test is used with a significance level (α) of 5% or 0.05 to find out the extent to which one independent variable has a significant effect on the variance of each independent variable against the other independent variables. This is the result.

Table 1.7 T test

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	12.096	1.269		9.531	<.001
Harga	.198	.129	.225	1.533	.129
Kualitas Produk	-.051	.074	-.129	-.687	.494
Citra Merek	-.072	.111	-.132	-.651	.516

a. Dependent Variables: purchasing decisions

The formula of the results in the regression equation in this study is as follows:

$$y = a + b_1x_1 + b_2x_2 + b_3x_3$$
$$y = 12.096 \mp 0.198 + 0.051 + 0.072$$

Results of the Discussion

The Influence of Price on Purchase Decisions

The research findings show that pricing significantly influences consumers' decision to buy. When the manufacturer provides a price that suits his preferences, the consumer makes a purchase. Surely someone will choose to buy your item if you provide it at a reasonable price (2021). Some customers misinterpret cost as quality. The company's price point is another important factor in a customer's purchasing decision. According to Milia and Asmara (2017), price is the amount that a company charges clients or consumers for the products or services it offers or sells. The cost exceeds the recommended retail value indicated on the packaging label. It all comes down to the costs that must be incurred to acquire a good or service Rosita (2017). As revealed by Arifin

Product Quality Against Purchase Decisions

The findings of the study show that the decision about what to buy is significantly influenced by the quality of the product. The type of goods is determined by their quality. People's decision to buy can be influenced by the quality of the product. Rahmawan and Puspita (2021). Based on its high-caliber chewy noodle products, Indomie is known for its long shelf life and reliable products. Research by Fatmaningrum et al. (2020) which shows that product quality simultaneously has a positive and large influence on purchasing decisions is in line with this study.

Brand Image Towards Purchase Decisions

The findings of the study show that a consumer's purchasing decision is strongly influenced by his perception of a brand. When making purchasing decisions, consumers will be more confident when the product brand is strong (Puspita and Rahmawan, 2021). According to Darmansah and Yosepha (2020), brand image is the collective perception that consumers have of a company. The term "brand" describes how society views the company name, logo, product offerings, customs, values, and level of communication that each employee provides to clients. Customers are influenced to buy instant noodles by the brand image that is memorable, reliable, fashionable, and modern, including the logo designed by Indomie. This study supports the findings of Pratimi et al. (2020) and shows the beneficial influence of brand image on consumer choice.

CONCLUSIONS AND RECOMMENDATION

Conclusion

Based on research, consumer decisions about what to buy at Indomie are greatly influenced by several factors, including price, product quality, and brand image. Affordable prices, high-quality products, and a strong brand reputation make Indomie in demand as the top choice in consumer purchasing decisions in the market. It can also be concluded that all of these factors play an important role in determining consumer preferences. Affordable prices make Indomie an economical choice, while consistent product quality and strong brand image give consumers confidence in the value and trust in the product. The combination of these three factors helps Indomie maintain its dominance in the instant food market by meeting consumers' expectations for quality, price, and good brand image.

The novelty of this study lies in the market conditions that have a high level of brand recognition, this study tests respondents' decisions about what they buy from Indomie instant noodles.

Thus, price, product quality, and brand image are no longer the main factors in the study respondents' purchasing decisions.

Recommendation

Based on the study's findings, various recommendations can be made to improve Indomie's competitive position and consumer purchasing decisions. First, the corporation should improve its pricing approach to keep product costs competitive while preserving consumer perceptions of value and affordability. Second, constant product quality improvements should be prioritized through innovations in product formulation, flavor variants, and packaging to increase customer satisfaction and brand loyalty. Third, Indomie should consistently build and maintain a positive brand image through effective branding and marketing strategies that focus on product quality, taste, dependability, and convenience. Finally, the organization should perform ongoing market research to better understand shifting consumer tastes, expectations, and purchase behavior. These informations can be utilized to develop more targeted marketing tactics, enhance product offers, and maintain Indomie's competitiveness in a rapidly changing industry.

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