CURRENT ADVANCED RESEARCH ON SHARIA FINANCE AND ECONOMIC WORLDWIDE
(CASHFLOW)
VOLUME 1 ISSUE 2 (2022)

THE INFLUENCE OF BRAND IMAGE AND PRICES TOWARDS TOOTHPASTE PURCHASE DECISIONS ON MEMBERS OF PT. NATURAL NUSANTARA

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Abstract

This study aims to analyze and explain the influence of brand image and price on purchasing decisions of NASA toothpaste at members of PT. Natural Nusantara. The existence of a good brand image certainly has an impact on affordable prices and in accordance with the benefits that affect the purchase decision of a product that consumers will be interested in. This type of research uses quantitative methods, the sampling technique is random sampling, data collection is to spread questionnaires using Google form, collect data from all elements in the population, namely members of PT. Natural Nusantara. The number of samples is 73 respondents. The questionnaire is the main instrument for collecting primary data. Research analysis using SEM-PLS. The findings of this study reveal that brand image has a positive and significant influence on purchasing decisions, while prices have a positive and significant influence on purchasing decisions, and brand image has a positive and significant influence on prices. Based on this research, it can be concluded that this research hypothesis is accepted.

Keywords: *Brand Image, Price, Purchase Decision*

1. INTRODUCTION

Digital means of communication have made it easier for the public to keep up with the pace of business development. A business's success is founded on its ability to reach into the creativity and ingenuity of many individuals in order to provide goods and services that consumers want (Wan et al., 2019). Whether done manually or via the use of contemporary technology, business involves components of management, finance, marketing, and human resources.

Consumers are looking for high-quality products at a reasonable price (Shirai, 2015). Also, entrepreneurs are looking for their products to be well-received by customers, be profitable, and be easy to produce. A wide range of products, from everyday basics to items that are not absolutely needed but are nonetheless purchased, are available for purchase. Customers must choose the product they want to consume in order for society to meet their requirements. The number of options, the conditions in which they are presented, and the underlying considerations that drive a buyer's selection are all different for each individual. There is more to a consumer's purchase than just the product itself. As a result, maintaining a positive public image necessitates those businesses give their customers with helpful information and excellent customer service (Kotler et al., 2019).

PT. Natural Nusantara, or better known as PT. NASA is a company headquartered in the Special Region of Yogyakarta, precisely on Jalan Siliwangi No.72, Salakan, Trihanggo, Gamping District, Sleman Regency (Stockist Nasa, 2022). This company is engaged in the

distribution of organic-based agrocomplex products (agriculture, animal husbandry, fisheries), health products, beauty products, technological innovations, and natural herbal-based household products provided by PT. NASA for the needs of society. NASA toothpaste is one of the breakthrough products from PT. NASA in the household field based on natural herbs to produce household products that are always used every day. NASA products carry an all-organic background automatic this one product is also completely organic (natural) and does not contain detergents.

This company has members who join as NASA members, but based on initial observations, it seems that those who have joined NASA have not entirely used NASA toothpaste, but instead have used other products distributed by PT. Natural Nusantara and are unaware of the benefits of purchasing NASA toothpaste. Members who have used NASA toothpaste have felt and taken advantage of price discounts, in addition to getting very affordable pricing, with discounted prices, and bonus points for every purchase of their items. As a result, the study's main goals are to discover brand image and price responses to toothpaste purchasing decisions, so that researchers can learn more about how many NASA members are familiar with and use NASA toothpaste, as well as see brand image responses that consumers are aware that special prices can affect toothpaste purchasing power on a regular basis, with the expectation that it will become a company's benchmark in meeting the needs of NASA partners.

2. THEORETICAL REVIEW

2.1. Brand Image

The concept of brand image put forward by (Fandy, 2007). Brand image is the observations and beliefs held by consumers, as reflected in associations or in consumers' memories (Assauri, 2013). Brand image is a company product, in general, its value will always be disturbed or damaged by competitors, brand image is an association of all available information about the products, services and companies of the brand in question. A brand has a vital role to show the value of a product brand to the market (Khasanah, 2013).

2.2. Price

According to Kotler & Armstrong (2008a) defines "price is the sum of all the values that consumers redeem so as to obtain the benefits of owning or using goods or services". Meanwhile, according to Assauri (2013) states that "Price is the value of an item expressed in terms of money".

Meanwhile, according to Stanton (1987), "price is the amount of money, (possibly plus some goods) required to obtain some combination of a product and the accompanying service".

2.3. Purchasing Decision

According to Stephen and Coulter in (Fahmi, 2016: the decision-making process is a stage consisting of an alternative, and evaluating the decisions. As stated by (Kotler & Armstrong, 2008b) that purchasing decisions as a process where consumers recognize the problem, seek information about a particular product or brand and evaluate how well each alternative can solve the problem which then leads to a purchase decision. Therefore, the

decision-making process is a basic psychological process that plays an important role in understanding how consumers actually make their purchasing decisions.

3. RESEARCH METHOD

This research is a type of quantitative research. The data analysis method used Structural Equation Modeling- Partial Least Square (SEM-PLS) analysis of Smart PLS software version 3. The population in this study were all members of PT. Natural Nusantara. The population of members reached 7.302, so that the sampling technique used was Random Sampling with the method of distributing questionnaires via google form, with a total sample of 73 respondents. The testing stages are validity test, reliability test, inner model includes convergent validity, discriminant validity, composite validity, Cronbach's alpha, as well as outer model includes path coefficient test and hypothesis testing.

4. RESULT AND DISCUSSION

4.1. Research Result

4.1.1. Validity Test

Based on the research that has been done, the results of the Validity Test are obtained in following Table.

Table 1. Validity Test of Brand Image (X1), Price (X2) and Purchase Decision (Y)

Brand Image (X1)

Indicator	$r_{statistic}$	r_{table}	Description
X1.1	,784	0.195	Valid
X1.2	,840	0.195	Valid
X1.3	,725	0.195	Valid
X1.4	,797	0.195	Valid
X1.5	,566	0.195	Valid
X1.6	,846	0.195	Valid
X1.7	,635	0.195	Valid
X1.8	,832	0.195	Valid

Price Validity Test (X2)

Indicator	$r_{statistic}$	r_{table}	Description
X2.1	,916	0.196	Valid
X2.2	,881	0.196	Valid
X2.3	,717	0.196	Valid

Purchasing Decision Validity Test (Y)

Indicator	$r_{statistic}$	r_{table}	Description
Y.1	,823	0.196	Valid
Y.2	,734	0.196	Valid
Y.3	,845	0.196	Valid
Y.4	,899	0.196	Valid
Y.5	,714	0.196	Valid

Indicator	r-statistic	r-table	Description
Y.6	,695	0.196	Valid
Y.7	,882	0.196	Valid
Y.8	,816	0.196	Valid
Y.9	,893	0.196	Valid
Y.10	,877	0.196	Valid

4.1.2. Reliability Test

Table 2 Reliability Test Results

Variable	Cronbach Alpha	Critical Value	Description
Brand Image	0.915	0.7	Reliable
Price	0.879	0.7	Reliable
Purchase decision	0.954	0.7	Reliable

4.1.3. Inner Model

a. Convergent Validity

Table 3 Outer loading

Variable	Indicator	Outer Loading
Brand Image (X1)	X1.1	0,784
	X1.2	0,840
	X1.3	0,725
	X1.4	0,797
	X1.5	0,566
	X1.6	0,846
	X1.7	0,635
	X1.8	0,832
Price (X2)	X2.1	0,916
	X2.2	0,881
	X2.3	0,717
Purchase Decision (Y)	Y1	0,823
	Y2	0,734
	Y3	0,845
	Y4	0,899
	Y5	0,714
	Y6	0,695
	Y7	0,882
	Y8	0,816
	Y9	0,893
	Y10	0,877

b. Discriminant Validity

Table 4 Cross Loading Results

Indicator	X1	X2	Y
X1.1	**0,784**	0,664	0,671

Indicator	X1	X2	Y
X1.2	**0,840**	0,647	0,634
X1.3	**0,725**	0,587	0,514
X1.4	**0,797**	0,471	0,623
X1.5	**0,566**	0,257	0,345
X1.6	**0,846**	0,549	0,561
X1.7	**0,635**	0,691	0,554
X1.8	**0,832**	0,691	0,619
X2.1	0,744	**0,916**	0,722
X2.2	0,713	**0,881**	0,730
X2.3	0,469	**0,717**	0,505
Y1	0,643	0,631	**0,823**
Y2	0,501	0,619	**0,734**
Y3	0,567	0,651	**0,845**
Y4	0,656	0,719	**0,899**
Y5	0,469	0,492	**0,714**
Y6	0,627	0,625	**0,695**
Y7	0,673	0,675	**0,882**
Y8	0,722	0,684	**0,816**
Y9	0,668	0,642	**0,893**
Y10	0,658	0,677	**0,877**

c. AVE Value

Table 5 Value of AVE

Variable	AVE
Brand Image (X1)	**0,577**
Price (X2)	**0,674**
Purchase decision (Y)	**0,710**

d. Composite Reliability

Table 6 Composite Reliability Value

Variable	Composite Reliability
Brand Image (X1)	0,915
Price (X2)	0,879
Purchase decision (Y)	0,954

e. Cronbach's Alpha

Table 7 Cronbach's Alpha Value

Variable	Cronbach's Alpha
Brand Image (X1)	0,892
Price (X2)	0,794
Purchase decision (Y)	0.954

4.1.4. Outer Model

a. Path Coefficient Test

Table 8 R-Square Value

Variable R-Square Value	R-Square Value
Price	0,605
Purchase decision	0,674

b. Hypothesis testing

Table 9 Path Coefficient

Influence	Original Sample	T-Statistics	*P*. Value	Results
Brand Image =>Purchase Decision	0,377	2.310	0,021	Accepted
Price =>Purchase Decision	0,493	2,841	0,005	Accepted
Brand Image => Price	0,778	14,758	0,000	Accepted

4.2. Discussion

4.2.1. The Influence of Brand Image on Purchase Decision

The first hypothesis tests whether Brand Image has a positive effect on Purchase Decisions. The test results show that the beta coefficient of Brand Image on Purchase Decisions is 0,377 and the t-statistic is 2,310. From these results, it is stated that the t-statistic is significant. Because >1,96 with p-value <0,05, according to Jogiyanto & Abdillah (2015) so that the first hypothesis is accepted. This proves that Brand Image is proven to have a positive influence on Purchase Decisions. This result is in line with Vierdwiyani & Syafarudin (2020) and (Solihin, 2021) which shows that brand image has a significant positive effect on purchasing decisions.

4.2.2. The Influence of Price on Purchase Decision

The second hypothesis tests whether the price has a positive effect on purchasing decisions. The test results show the price beta coefficient on purchasing decisions is 0,493 and the t-statistic is 2,841. From these results, it is stated that the t-statistic is significant. Because > 1.96 with *p*-value < 0,05 according to Jogiyanto & Abdillah (2015) so that the second hypothesis is accepted. This proves that the price is proven to have a positive influence on purchasing decisions. This result is in line with Safitri (2018) and Herawati et al. (2019) which shows that price has a positive effect on purchasing decisions

4.2.3. The Influence of Brand Image on Price

The third hypothesis tests whether Brand Image has a positive effect on price. The test results show the beta coefficient value of Brand Image to Price is 0,778 and the t-statistic is 14,758. From these results, it is stated that the t-statistic is significant. Because > 1.96 with *p*-value <0,05 according to Jogiyanto & Abdillah (2015) so that the third hypothesis is accepted. This proves that brand image has a positive influence on purchasing decisions.

This result is in line with Herawati et al. (2019) and Safitri (2018) which shows that brand Image has a positive effect on price and thus influencing purchasing decisions.

5. CONCLUSION

Based on the results of the SEM (Structural Equation Modeling) analysis and the discussions that have been carried out in this study, there are several conclusions:

1. According to the findings of the data study, brand image has a positive and significant influence on purchasing decisions. The findings of this study show that brand image is crucially important as a basis for members to make purchases; the better the brand image management, the higher the purchasing decisions; on the other hand, the worse the brand image management, the lower the purchasing decisions.
2. The results of data analysis show that the price has a positive and significant influence on purchasing decisions. The results of this study can be interpreted that the price with a high purchase decision will have an effect on increasing purchasing decisions, on the contrary, if the price is unknown, it will have an impact on decreasing purchasing decisions.
3. According to the findings of the data study, brand image has a positive and significant influence on prices. The results of this study can be concluded that brand image is very important as a basis for members to know the price, the more benefits and quality of a product, namely toothpaste, the purchasing decision increases, and vice versa when the brand image does not match the price, the affordable and cheap price will not be known by the consumer.

Suggestion

Based on the results of the research obtained and the analysis of the data obtained, the suggestions submitted are as follows:

1. For Companies

The brand image and prices that have been determined by the company can no longer be doubted because members who have joined the business of PT. Natural Nusantara is a consumer who is able to accept the products that have been issued by PT. Natural Nusantara and decided to continue to use it and the company could better develop its own NASA Toothpaste innovation to improve the company's image, product image and user image.

2. For Academics

For other students who want to research, hopefully they will add insight into other variables and other NASA products so that researchers are able to study a problem and a solution to a problem more in depth.

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