

# Influence of Product Quality, Brand Image, and Price on Purchase Decision Martabak San Fransisco Bandung

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**Abstract-** The lifestyle of today's society, which tends to be dynamic, has made culinary a necessity so that competition in this industrial sector is getting tighter. This research was motivated by the fluctuation of sales results for the San Francisco martabak. This study aims to analyze the effect of brand image and price on purchasing decisions for Martabak San Francisco. Respondents involved in this study were 100 consumers who had visited Martabak San Francisco. The method used is descriptive technique. The data was collected by distributing questionnaires directly and the data analysis method was carried out by multiple linear regression using SPSS software. The results showed that partially brand image and price significantly influence purchasing decisions Martabak San Francisco. Based on the results of the F test, the results showed that simultaneously and significantly the brand image and price have an effect on purchasing decisions Martabak San Francisco. The coefficient of determination is 84.8%, which means that the purchase decision for Martabak San Francisco is influenced by brand image and price variables, while the rest can be explained by other variables not examined in this study.

**Keywords:** Brand Image, Price, Purchasing Decisions.

## Introduction

Bandung is the largest metropolitan city in West Java as well as the capital of the province. As a tourist city, there are certainly a lot of people who come to Bandung, just to taste its culinary delights, enjoy its natural atmosphere, and also buy or see trending fashion. This San Francisco Martabak is originally made by a Bandung person who migrated from Bangka. His name is Bong Kap Djun alias Adjun. Adjun named his martabak after a city in the state of California, United States, because he was inspired by a Scott McKenzie song entitled "San Francisco". Adjun started his business in 1965. Adjun decided to move to trade to Jalan Gatot Subroto, Katapang Bandung. In 1967 the economic cake changed its name to Martabak San Francisco. Starting from here, a simple cake turns into a luxurious-looking snack. The taste changes by adding butter, cheese, chocolate and nuts. The taste and shape have not changed until now. Martabak is also touted as the pioneer of sweet martabak in Indonesia.

## Identification of problems

The identification of problems discussed in this study are as follows:

1. How does brand image influence the purchase decision of Martabak San Francisco?
2. How does price affect the purchase decision of Martabak San Francisco?
3. How do brand image and price affect the purchasing decision of Martabak San Francisco?

### Research purposes

Based on the identification of the above problems, the objectives of this study are:

1. Knowing the effect of brand image on purchasing decisions Martabak San Francisco.
2. Knowing the effect of price on purchasing decisions Martabak San Francisco.
3. Knowing the effect of brand image and price on purchasing decisions Martabak San Francisco.

### Literature Review

#### Marketing Mix

According to Kotler and Armstrong (2014), the marketing mix is a set of marketing tools that companies use to generate the response the target market wants.

#### Price

According to Kotler and Armstrong (2016), the price is “The amount of money charged for a product or service, the sum of the values that customers exchange for the benefit of having or using the product or service”.

#### Brand Image

According to Roslina (2010), a brand image is a set of associations organized into one meaningful. Brand image is based on consumer memory about a product, as a result of what someone feels about the brand.

#### Buying decision

According to Kotler and Keller (2016), the purchase decision process consists of five stages carried out by a consumer before arriving at a purchase decision and then post-purchase.

### Research Conceptual Framework

This research framework illustrates the effect of two independent variables, namely brand image and price on the dependent variable, namely the purchase decision of Martabak San Francisco Bandung. Based on a review of the theoretical foundations and previous research, the following framework can be formulated:

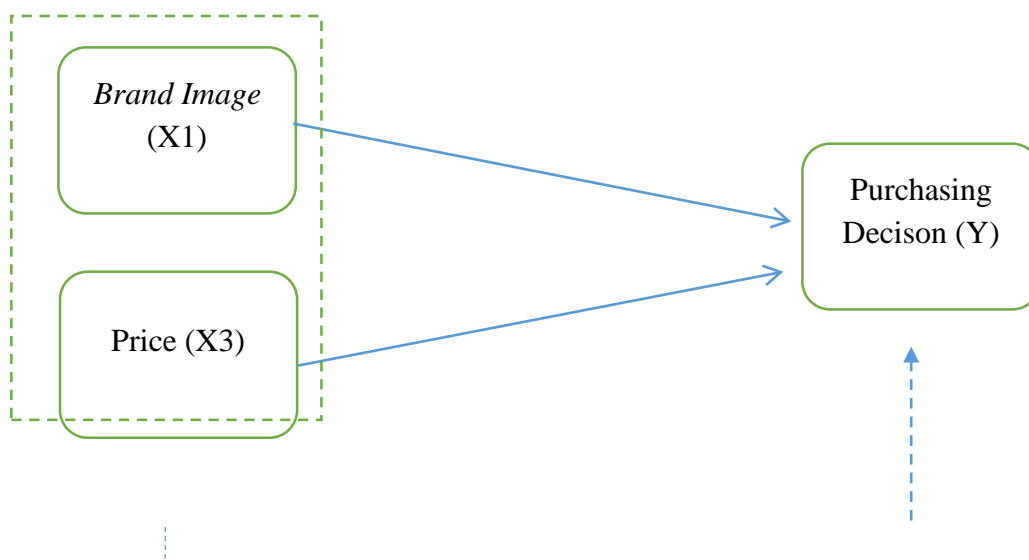


Figure 1. Framework

## **Hypothesis**

On the basis of considerations in the formulation of the problem, the hypothesis that the writer puts forward is:

1. Brand Image (X1) has a significant effect on the purchasing decision of Martabak San Francisco.
2. Price (X2) has a significant effect on the purchase decision of Martabak San Francisco.
3. Brand image (X1) and price (X2) simultaneously influence the purchasing decision of Martabak San Francisco.

## **Object of research**

The object of research in this is the brand image and price in relation to the purchase decision of the Maratabak San Francisco, where consumers of the San Francisco martabak also act as respondents in this study.

## **Methodology**

The purpose of this research is to make descriptions, descriptions or paintings systematically, factually and accurately regarding the facts, characteristics and significant relationships between the variables studied so as to produce conclusions that will clarify the object under study. This study uses a questionnaire as a data collection tool.

## **Data Sources and Data Collection Techniques**

Types of data sources used by researchers to conduct research on this San Francisco martabak include primary and secondary data

## **Population and Sample**

The population in this study are all consumers who have made a purchase at Martabak San Francisco, which is located at Jl. Burangrang dalam No. 36, Burangrang, Kec. Lengkong, Bandung City. The population number in this study is not known because the number of martabak consumers is uncertain or uncertain. The sample in this study are some of the consumers who have made purchases at Martabak San Francisco.

## **Operationalization of Variables:**

### **Variable X1 (Brand Image)**

Variable Concept "According to Keller in Roslina (2016), brand image is the consumer's perception of a brand as a reflection of the brand association that exists in the minds of consumers."

Indicator: Brand Streght

Variable Indicators:

1. The name Martabak San Francisco is easy to pronounce
2. The San Francisco Martabak logo is easy to remember

Indicator: Brand Favorability

Variable Indicators:

3. Prices offered by San Francisco are affordable and competitive
4. Good and professional service from employees

Indicator: Brand Favorability

Variable Indicators:

5. Martabak San Francisco has a distinctive logo

### **Variable X2 (Price)**

Variable Concept "According to Kotler and Armstrong (2016), price is the amount of money charged for a product or service, the amount of value exchanged by customers to obtain or use the product or service"

Indicator: Price Affordability

Indicator Variable:

6. The price offered is affordable

7. I am willing to buy at the price offered

Indicator: Price Match with Product Quality

Variable Indicators:

8. The price offered is appropriate

Indicator: Price Competitiveness

Variable Indicators:

9. The price offered is cheaper than other competitors

Indicator: Price Match with Benefits

Variable Indicators:

10. The price offered is as expected

### **Variable Y (Buying decision)**

The concept of variables "According to Kotler and Armstrong (2016), is a purchasing decision about the choice to be purchased, but two factors can be between the buyer's intention and the purchase decision."

Indicator: Social

Variable Indicators:

11. Buy San Francisco products with family or friends

Indicator: Personality

Variable Indicators:

12. Purchased San Francisco products of your own accord

Scale = Ordinal

### **Measurement Scale**

In conducting the research, several stages were carried out before processing data such as observation, interviews, and questionnaire data collection. Then the results of the research are processed using statistical methods and regression analysis to then draw a conclusion. The data were processed using assessment criteria based on a Likert's scale.

### **Validity test**

If the coefficient between items and total items is equal to or above 0.3 then the item is declared valid, but if the correlation value is below 0.3 then the item is declared invalid.

### Reliability Test

The method used in testing the measuring instrument in this study is the alpha Cronbach Alpha ( $\alpha$ ) method contained in the SPSS program. If the Cronbach Alpha is greater than 0.6, the test tool is said to be reliable. The coefficient value ranges from 0 to 1, the closer to 1, the greater the reliability of the measuring instrument and shows high consistency.

### Classic assumption test

Before performing multiple linear regression analysis, there are several classic assumption tests that must be met first. The classical assumption test in this study consists of the normality test, multicollinearity test, and heteroscedasticity test.

### Multiple Linear Regression Analysis

The relationship between these variables can be characterized through a mathematical model called a regression model. Multiple regression models are used to determine whether there is a significant effect of the variables studied. Multiple linear regression analysis in this study was conducted to determine the relationship between variables X1 (brand image), X2 (price), and Y (purchase decision). When described mathematically the equation form of multiple linear regression is as follows:

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3$$

### Coefficient of Determination

The coefficient of determination is used to see how much influence the variables X<sub>1</sub> and X<sub>2</sub> (independent variables) have on variable Y (dependent variable), usually expressed in terms of percent (%). The coefficient of determination in this study is used to determine how much influence the variables X<sub>1</sub> (Brand Image) and X<sub>2</sub> (Price) have on variable Y (Purchase Decision). The formula for the coefficient of determination is as follows:

$$Kd = R^2 \times 100\%$$

### Hypothesis test

The steps in testing this hypothesis begin by establishing the null hypothesis (H<sub>0</sub>) and the alternative hypothesis (H<sub>a</sub>), selecting the statistical test and calculating the statistical value, determining the level of significance and establishing the testing criteria. The research hypothesis was tested using the t test to determine the effect partially, while to determine the effect simultaneously used the F test.

### T Test (Partial Hypothesis Testing)

The t statistical test is also called the individual significance test. This test shows how far the influence of the independent variable partially on the dependent variable.

### F Test (Simultaneous Hypothesis Testing)

The F test is used to see whether the independent variables together (simultaneously) have a significant effect on the dependent variable.

## **Results and Discussion**

### **Respondent Characteristics**

In this study, the authors distributed 100 questionnaires to consumers of Martabak San Francisco. The questionnaire consists of four parts, namely Martabak San Francisco consumer responses regarding brand image, price, and purchase decisions. Half of the respondents were female with a total of 55 people, this could be because Martabak San Francisco offers a martabak menu that has a variety of different flavors so that it is preferred by women. Characteristics of respondents based on age are dominated by ages 21-25 years, followed by ages more than 25 years, this shows that this age group is a potential consumer in purchasing Martabak San Francisco where the age category includes young people or adolescents and adults who the majority are happy to try new things that are currently popular. It is known that the majority of Martabak San Francisco consumers have a bachelor's degree, who have completed college or are looking for work. This is because the Martabak San Francisco area is very crowded with young people or adults. It is known that the majority of Martabak San Francisco consumers are students and university students. This is because the location of Martabak San Francisco is located between several shops selling products that cover all ages, and many people pass by the place just to stop by for a moment. The majority of respondents had an income or allowance of between Rp. 3,000,000 - Rp. 5,000,000, this could be because the majority of Martabak San Francisco consumers are students or college students who are still given pocket money by their parents to meet their daily needs, so that in a month the income or pocket money is quite large. It can be seen that respondents get information about San Francisco through the Internet or social media (facebook, blog, twitter, instagram, etc.), this is because at this time information sources through the internet, especially blogs and Instagram, are very fast spreading.

### **Test Results of Validity and Reliability of Variable Brand Image, Price and Purchase Decision**

The results of the validity test are carried out to determine whether the measuring instrument designed in the form of a questionnaire can actually carry out its function. As has been explained in the research methodology that to test whether a measuring instrument is valid or not a statistical approach is used, if the correlation coefficient of the statement items with the total score of other items is  $\geq 0.30$  then the statement is declared valid. For variables of product quality, brand image, price, and purchase decisions using a significance level of 0.05 and a two-way test.

It can be seen that the Corrected Item-Total Correlation (validity index) of each statement item is greater than the critical value of 0.30. The results of this test indicate that all statement items for the brand image variable are feasible as a research measurement tool and can be used for further analysis. The highest score is obtained through the statement "Martabak San Francisco logo is easy to remember" of 0.925. With this score greater than the critical value of 0.30 so it is valid. The lowest score is obtained through the statement "San Francisco products do not expire quickly" of 0.829. With this score greater than the critical value of 0.30 so it is valid.

It can be seen that the Corrected Item-Total Correlation (validity index) of each statement item is greater than the critical value of 0.30. The results of this test indicate that all statement items for the price variable are feasible as a research measurement tool and can be used for further analysis. The highest value is obtained through the statement "The price offered is appropriate" of 0.917. With this score greater than the critical value of 0.30 so it is valid. The lowest score is obtained through the statement "The price offered is cheaper than other competitors" of 0.879. With this score greater than the critical value of 0.30 so it is valid.

It can be seen that the Corrected Item-Total Correlation (validity index) of each statement item is greater than the critical value of 0.30. The results of this test indicate that all statement items for the purchase decision variable are feasible as a research measurement tool and can be used for further analysis. The highest and lowest scores were obtained through the statement "Buying San Francisco products with family or friends" of 0.965 and the statement "Buying San Francisco products of your own accord" of 0.965. With this score greater than the critical value of 0.30 so it is valid.

It can be seen that the value of the reliability coefficient of the four research variable questionnaires is greater than the critical value of 0.60. The results of this test indicate that all statement items used for each variable are reliable, so it can be concluded that the questionnaire used to measure the four variables already has consistency.

### **Respondents' Responses regarding Brand Image Variables**

Brand Image will be revealed through respondents' answers to the statements put forward in the questionnaire. Brand Image is measured using 3 dimensions and operationalized into 5 statement items. Based on the calculation, it shows the recapitulation of the average respondent score of the brand image variable of 3.48. This means that in general the brand image of Martabak San Francisco is in a good category. The indicator that got the highest score was the statement "Martabak San Francisco's name is easy to pronounce" with a score of 3.57. This is because the name itself is the name of a famous city in the United States so that the pronunciation is easy. Meanwhile, the indicator with the lowest score is the statement "Prices offered by Martabak San Francisco are affordable and competitive" with a score of 3.28. This is because Martabak San Francisco is a business that has been around for a long time, so pricing is a consideration.

### **Respondents' Responses regarding Price Variables**

Prices on Martabak San Francisco products will be revealed through respondents' answers to the statements put forward in the questionnaire. Price is measured using 4 dimensions and operationalized into 5 statement items. Based on the calculation shows the average recapitulation score of the respondent's score of the price variable is 3.18. This means that in general the price of Martabak San Francisco products is in a fairly good category. The indicator that scored the highest was the statement "I am willing to buy at the price offered", which was 3.30. This is because consumers who buy Martabak San Francisco products for the first time know or maybe just want to try new martabak, so consumers are willing to buy at the existing price. Meanwhile, the indicator with the lowest score is the statement "the price offered is cheaper than other competitors" with a score of 3.03. This is because the products of Martabak San Francisco are still unknown to consumers, so consumers who have an expectation by seeing Martabak San Francisco products cannot estimate the price given.

### **Respondents' Responses regarding Purchasing Decision Variables**

Purchasing decisions at San Francisco will be revealed through respondents' answers to the statements submitted in the questionnaire. Purchasing decisions are measured using 2 dimensions and operationalized into 2 statements. Based on the calculation, it shows the recapitulation of the average respondent score of the purchasing decision variable of 3.64. This means that in general the decision to buy Martabak San Francisco products is in a good category. Both indicators get the highest score. This is because family, friends or of their own volition are the most powerful influences on the environment and encourage buying. And because

consumers also have a sense of curiosity and are curious about something new, so they try to buy Martabak San Francisco products.

### Classic assumption test

The following are the results of the classic assumption test for brand image, price, and purchase decisions:

#### Normality test

The test method for normal data distribution is whether or not it is done by looking at the significance value of the variable, if it is greater than 5% alpha, it shows the data distribution is normal. Based on the Kolmogorov Smirnov One-Sample Kolmogorov-Smirnov Test, the results of the data normality test show that the significance value is 0.200, where the number is greater than 0.05 alpha. Therefore, it can be concluded that the data tested in this study were normally distributed.

#### Multicollinearity Test

In this study, the technique to detect multicollinearity in the regression model is to look at the Variance Inflation Factor (VIF) value, and the tolerance value. If the tolerance value approaches 1, and the VIF value is around number 1 and is not more than 10, it can be concluded that there is no multicollinearity between the independent variables in the regression model. It can be seen that all variables have a VIF value less than 10 and a tolerance value greater than 0.10. So it can be concluded that there is no multicollinearity between the independent variables in the regression model.

#### Heteroscedasticity Test

It can be seen that there is no clear pattern, and the dots spread above and below the number 0 on the Y axis. Thus, it can be concluded that there is no heteroscedasticity.

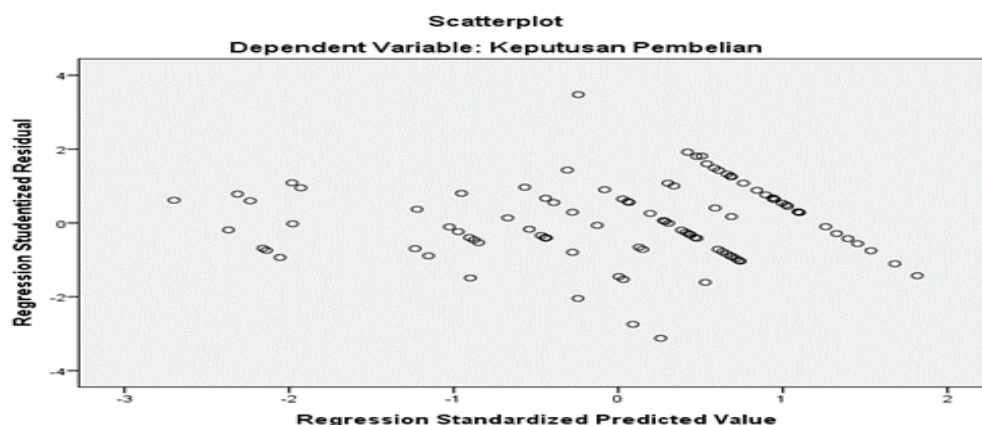


Figure 1. Residual Plot of Variable Brand Image, Price, and Purchase Decision

Source: SPSS output, 2019

### Effect of Brand Image on Purchasing Decisions (T test)

Hypothesis testing using the T test was conducted to test whether or not the independent variable (X) had an

effect on the dependent variable (Y) individually. The decision making formulas are as follows:

1. Statistical Hypothesis:

$H_0: \beta_2 = 0$  This means that partially, brand image does not have a significant effect on purchasing decisions Martabak San Francisco.

$H_a: \beta_2 \neq 0$  This means that partially, brand image has a significant effect on purchasing decisions Martabak San Francisco.

2. Test Criteria:

The significant level ( $\alpha$ ) is 5%,  $df = 97$  so that the t table is 1.9847. It can be seen that the tcount for brand image (X2) is 6.491 and the ttable is 1.9849. Because the value of t is greater than the value of t table ( $6.491 > 1.9849$ ) with a significance value of  $0.000 < 0.05$ , then  $H_0$  is rejected and  $H_a$  is accepted. This shows that brand image has a significant effect on purchasing decisions for Martabak San Francisco products.

### Effect of Price on Purchasing Decisions (T Test)

Hypothesis test using the T test was carried out to test whether or not the independent variable (X) had an effect on the dependent variable (Y) individually. The decision making formulas are as follows:

1. Statistical Hypothesis:

$H_0: \beta_3 = 0$  This means that partially, the price does not have a significant effect on the purchase decision of Martabak San Francisco.

$H_a: \beta_3 \neq 0$  This means that partially, the price has a significant effect on purchasing decisions Martabak San Francisco.

2. Test Criteria:

The significant level ( $\alpha$ ) is 5%,  $df = 97$  so that the t table is 1.9847. It can be seen that the tcount for the price (X2) is 3.155 and the ttable is 1.9849. Because the value of t is greater than the value of t table ( $3.155 > 1.9849$ ) with a significance value of  $0.002 < 0.05$ , then  $H_0$  is rejected and  $H_a$  is accepted. This shows that the price has a significant effect on the purchase decision of Martabak San Francisco products.

### Multiple Linear Regression Analysis

The results of calculations using SPSS 24.00 software obtained multiple linear regression results. It can be seen that the regression equation of brand image and price on purchasing decisions is as follows:

$$Y = 1,017 + 0,277X_1 + 0,109X_2$$

From the results of the multiple linear regression equation, each variable can be interpreted as follows:

- A constant of 1.017 states that if the brand image and price do not change, the purchase decision will be worth 1.017.
- The brand image variable has a positive regression coefficient of 0.277. That way, if the brand image is increased every one unit of value or direction, it will increase the purchase decision process by 0.277 and it is assumed that for other variables 0 or eliminated.
- The price variable has a positive regression coefficient of 0.109. That way, if the price is increased every

one unit of value or direction, it will increase the purchasing decision process by 0.109 and it is assumed that for other variables 0 or eliminated.

### Simultaneous Hypothesis Testing (Test F)

Obtained Fcount value of 178,622 with p-value (sig.) = 0,000. With  $\alpha = 0.05$ ,  $df1 = 3$  and  $df2 = (n-k-1) = 96$ , then we can get the table = 2.70. Because  $F_{count} > F_{table}$  ( $178.622 > 2.70$ ) and a significance value of  $0.000 < 0.05$ ,  $H_0$  is rejected and  $H_a$  is accepted. This shows that the brand image and price simultaneously and significantly influence the purchasing decisions of Martabak San Francisco products.

### Analysis of the coefficient of determination

The coefficient of determination (KD) is the square of the correlation coefficient (R) or also known as R-Square. The coefficient of determination serves to determine how much influence the brand image and price together have on purchasing decisions. It is known that the coefficient of determination or R Square is 0.848 or 84.8%. This suggests that product quality, brand image, and price contribute 84.8% to the Martabak San Francisco product purchase decision, while the remaining 15.2% is the influence of other variables (for example: location, store atmosphere, consumer loyalty) which were not examined in this study.

### Conclusion

Based on the results of research and discussion that has been described regarding the effect of brand image and price on purchasing decisions of Martabak San Francisco, the following conclusions can be drawn:

1. The frequency of consumers visiting Martabak San Francisco is uncertain depending on the desire of consumers to visit. Respondents' responses regarding the brand image formed by Martabak San Francisco were declared good with an average of 3.48; however, there are still unfavorable consumer responses that are related to the prices offered and competing with others. Respondents' responses regarding the price given were quite good with an average of 3.18. And the responses of respondents regarding the purchasing decisions made by Martabak San Francisco were declared good with an average of 3.64.
2. Based on the research that has been carried out, including to determine the relationship between the variables studied, it can be concluded that brand image has a significant effect on purchasing decisions with the consideration that the value of  $\beta_2$  yaitu 0 is 0.227 and the value of t is greater than the value of t table ( $6.491 > 1.9849$ ).
3. Based on the research that has been carried out, including to find out the relationship between the variables studied, it can be concluded that the price has a significant effect on purchasing decisions with the consideration that the value of  $\beta_3$  yaitu 0 is 0.109 and the t-count value is greater than the t-table value ( $3.155 > 1.9849$ ).
4. Based on the research that has been carried out, simultaneously and significantly the brand image and price have an effect on the purchase decision of Martabak San Francisco by considering the value of  $F_{count} > F_{table}$  ( $178.622 > 2.70$ ), in addition to brand image, and price can explain the purchasing decision variable by 84.8%, while the remaining 15.2% is the influence of other variables (for example: location, product innovation and store atmosphere) which are not examined in this study.

### Suggestions

Based on the conclusion about the research on the effect of brand image and price on purchasing decisions Martabak San Francisco, the authors propose several suggestions which are expected to be useful for the company. So the suggestions that the author can submit are as follows:

1. Based on the results of the conclusions on the brand image variable, there are indicators that need to be improved, namely indicators of pricing to be able to compete with competitors. It is necessary to re-survey the pricing of products so that consumers do not take too long to make the decision to buy.
2. Based on the results of the conclusions on the price variable, there are indicators that need to be improved, namely price indicators that are too expensive. What needs to be done to improve this indicator is to provide discounts or discounts to consumers for every purchase of more than two types of martabak, or to provide discounts on certain days.

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