
THE EFFECT OF BRAND IMAGE, PERCEIVED PRICE, AND PERCEIVED QUALITY ON CONSUMERS' PURCHASE DECISION OF POND'S SKIN CARE PRODUCT

PENGARUH DARI CITRA MEREK, PERKIRAAN HARGA, DAN PERKIRAAN KUALITAS TERHADAP KEPUTUSAN MEMBELI KONSUMEN PADA PRODUK PERAWATAN KULIT POND'S

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Abstract: *Beauty has been one of the important things for women. Nowadays, the use of skin care such as moisturizer have become their daily routines, some of them are use skin care products from beauty clinics also use products that sale in the supermarket. The aims of this study are to analyze the effect of brand image, perceived price, and perceived quality on consumers' purchase decision of Pond's skin care product. This research is causal type of research which uses primary data obtained through questionnaires and uses Ordinal Regression Analysis. The population observed is people in Manado who have used Pond's skin care product with 100 respondents as the sample size. The result of this study shows that brand image, perceived price, and perceived quality have significant effects on consumers' purchase decision. For recommendations, the company must keep maintaining and improve their brand image, price, and the quality of product Pond's.*

Keywords: *brand image, perceived price, perceived quality, consumer purchase decision*

Abstrak: *Kecantikan sudah menjadi salah satu hal yang penting bagi wanita. Sekarang ini, penggunaan perawatan kulit seperti pelembab sudah menjadi rutinitas sehari-hari, beberapa orang menggunakan perawatan kulit dari klinik kecantikan juga menggunakan produk yang jual di dalam supermarket. Tujuan dari penelitian ini adalah untuk menganalisis pengaruh dari citra merek, perkiraan harga, dan perkiraan kualitas terhadap keputusan membeli konsumen pada produk perawatan kulit Pond's. Penelitian ini merupakan jenis kausal penelitian yang menggunakan data primer yang diperoleh melalui kuisioner dan menggunakan analisis regresi ordinal. Populasi yang diamati adalah orang di Manado yang telah menggunakan produk Pond's dengan 100 responden sebagai hasil sampel ukuran. Hasil dari penelitian ini menunjukkan bahwa citra merek, perkiraan harga, dan perkiraan kualitas memiliki efek signifikan terhadap keputusan pembeli. Sebaiknya, perusahaan harus tetap menjaga dan meningkatkan citra merek, harga, dan kualitas dari produk Pond's.*

Kata Kunci: *citra merek, perkiraan harga, perkiraan kualitas, keputusan membeli konsumen*

INTRODUCTION

Research Background

Beauty has been one of the important things for women. Every women wants to have a clean and healthy skin. Nowadays, the use of skin care such as mouisturizer have become their daily routines. By having a healthy skin make their look more beautiful and more confident. In maintaining beauty, women typically do various treatment in beauty clinics, salons & spa. Not only woman, men are also realize the importance of keeping their skin clean and healthy, some of them are use skin care products from beauty clinics also use products that sale in the supermarket.

Pond's is one of the skin care product from PT Unilever, Pond's is a famous beauty product that have big market size in Indonesia. The excellence of Pond's is the company understand skin nutrients that needed by consumers in Indonesia by launching various variants of skin care range from teenager till adult. The company always tries to increase the latest innovation in order to satisfy the needs and wants of consumers. They also present the variant of skin care for men, which is nowadays the use of cosmetics in Indonesia including skin care is increasing due to an awareness of men in keeping they skin to stay healthy by wearing skin care products as they daily routines, as well as increasing the consumer purchase decision.

Meanwhile, there are several factors influencing consumer purchase decision, such as brand image, perceived price, and perceived quality. Brand image is a set of belief held by consumers about a practicular brand (Kotler and Keller, 2013:240). In buying products consumer usually consider about a brand, good or bad the image of a brand determine the decision of consumer in buying a product, that is why most companies compete to create a good brand image in society so company can increase consumer purchasing power.

Perceived price defines as customer perception about what is sacrificed to obtain a product or service (Zeithaml in Sumedi et al, 2011). It can be said that the expensive or cheap of the price of a product product, as long as it can gives good benefit then consumer will sacrificed their money to paid the product or service.

Perceived Quality is another dimension of the value of the brand which is very important for the consumer to choose the goods and services to be bought (Aaker in Sallam, 2014). In other words, the value of a brand also influence by the perception of consumen about quality of a product. If the consumen assume that the quality is good then it will impact on the brand image as well as the increasing of purchase decision.

Based on what described above, the researcher choose products pond's as the objects of research where researchers want to research is that because of the influence of brand image, perceived price, and perceived quality that effect consumers to decided to buy and use Pond's as they daily skin care routine. That is why the idea comes up with title "The effect of Brand Image, perceived price, and perceived quality on consumer purchase decision of Pond's skin care product."

Research Objectives

The aims of this research are to find out the significant influences of:

1. Brand Image, Perceived Price, and Perceived Quality on Consumers' Purchase Decision simultaneously.
2. Brand Image on Consumers' Purchase Decision partially.
3. Perceived Price on Consumers' Purchase Decision partially.
4. Perceived Quality on Consumers' Purchase Decision partially.

THEORITICAL FRAMEWORK

Marketing

Kotler and Keller (2013:5)marketing is about identifying and meeting human and social needs. One of the shortest definitions of marketing is meeting needs profitability. Kotler and Keller (2013:5) defined marketing as an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholder. Thus marketing is about creating and receiving vauue between marketer and customer.

Purchase Decision

There are several stages that make consumer decided to buy products or services. According to (Kotler and Keller, 2013:170) purchase decision consists of five stages which are need recognition, information research, evaluation or alternatives, purchase decision, and post-purchase behavior. According to Peter and Olson (2004) The key process in consumers' decision making is the intergration process by which knowledge is combining to

evaluate two or more alternative behavior and select one. Most of the larger company research consumer buying decision in increasing detail to answer question about what consumer buy, where they buy, how and how much they buy, when they buy and why they buy (Kotler et al., 2005).

Brand Image

Kotler and Keller(2013:240) defined brand image is a set of belief held by consumers about a particular brand. Meanwhile, Aaker in Sallam (2014) defines brand image as a set of associations usually organized in some meaningful way. Brand image has been recognized as an important concept in marketing and consumer behavior research (Hee, 2009). Basically, brand image describes the consumer's thoughts and feelings towards the brand (Roy & Banerjee, 2007).

Perceived Price

Zeithaml in Sumedi et al (2011) perceived price is as customer perception about what is sacrificed to obtain a product or service. Zeithaml in Vanita Kaura (2012) also define perceived price as the price that is encoded by the consumer. According to Jacoby & Olson in Vanita Kaura (2012) Price is an important antecedent of customers' satisfaction as consumers depend on price because it is extrinsic signal of quality. Price is distinguished as objective price and perceived price. Jacoby & Olson in Vanita Kaura (2012) also define the objective price as the actual price of a product or service.

Perceived Quality

As stated by (Jin and Yong, 2005) Perceived quality is a critical element for consumer decision making, consequently consumers will compare the quality of alternatives with regard to price within category. According to Davis et al (2003:1), perceived quality is directly related to the reputation of the firm that manufactures the product. Consumers often judge the quality of a product or service on the basis of a variety of informational cues that they associate with the products, whereas others are extrinsic.

Previous Research

Ahmad, Noor, Wel (2014) factors influencing consumers' purchase decision of private label brand products, found that brand image, perceived price, and perceived quality have positive relationship with purchase decision. Pirera and Dissanaake (2013) the impact of brand awareness, brand association, and brand perceived quality on female consumers' purchase decision of foreign makeup product (a study on youth segment) found that there is significant relationship between perceived quality and female consumers' buying decision of foreign makeup products. Thanasut (2015) Thai consumers purchase decisions and private label brands, concludes that price-conscious consumers are the ones most likely to purchase private label products. In low-differentiation categories, an opposite relationship prevails for consumer who are brand conscious in low-differentiation, high-risk, and low-risk categories. Armansyah and Angliawati (2015) buying behavior of organic vegetables product: the effect of perception of quality and risk found that there is a significant negative relationship between perception of quality and perception of risk. As well as the behavior of perception of quality and perception of risk has significant influenced on purchase decision.

Conceptual Framework

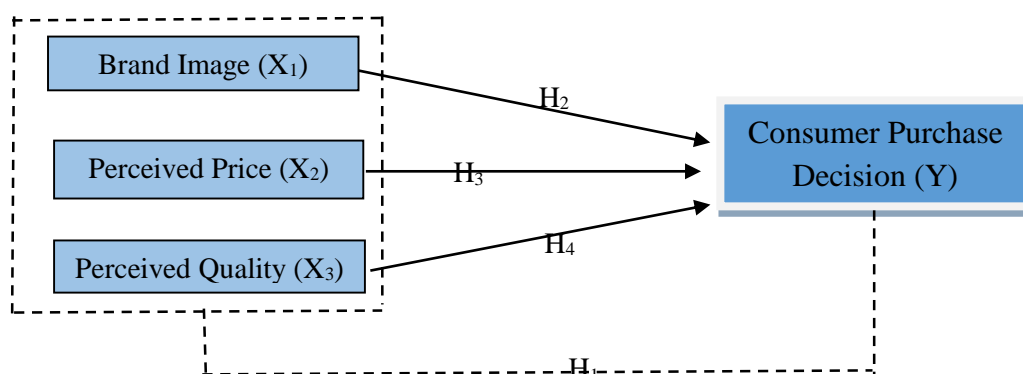


Figure 1. Conceptual Framework

Source: Data Processed (2017)

Research Hypotheses

The research hypothesis can be formulated as follows:

- H0: There is no significant effect of Brand image, perceived price, and perceived quality on consumer purchase decision of Pond's skin care product simultaneously.
- H1: Brand image, perceived price, and perceived quality has significant effect simultaneously on consumer purchase decision of Pond's skin care product in Manado.
- H2: Brand image is partially significantly effect on consumer purchase decision of Pond's skin care product in Manado.
- H3: Perceived price is partially significantly effect on consumer purchase decision of Pond's skin care product in Manado.
- H4: Perceived quality is partially significantly effect on consumer purchase decision of Pond's skin care product in Manado.

RESEARCH METHOD

This research is a causal type of research where it will investigate the effect of brand image, perceived price, and perceived quality on consumer purchase decision. According to Zikmund in Tran (2006:1) define that causal research is conducted to identify cause and effect relationship among variables where the research problem has already been narrowly define. This research is conducted in Manado and the time of research is started from february until march 2017. The population of this research is all consumers' of Pond's skin care product. The sample in this research is consist 100 respondents. The questionnaires are distributed to respondents so they can respond directly on the questionnaires.

There were two sections in the questionnaires that should be filled by respondents. The first section asked about respondents identities and the second section asked about things that related with the variables. The survey was created using suitable questions modified from related research and individual questions formed by the researcher. Likert scale was used to determine if the respondent agreed or disagreed in a statement.

This research is using ordinal regression analysis because as a predictive analysis, ordinal regression describes data and explains the relationship between one dependent variable and two or more independent variables. in ordinal regression analysis, the dependent variable is ordinal (statistically it is polytomous ordinal) and the independent variables are ordinal or continuous-level (ratio or interval) like variables in this research.

The formula of ordinal regression model is shown as follows:

$$E(y) = \frac{e^{\beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3}}{1 + e^{\beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3}}$$

Description:

| | |
|-----------------------------|--|
| Y | = Consumer Purchase Decision |
| β_0 | = Intercept |
| $\beta_1, \beta_2, \beta_3$ | = The Ordinal Coefficient of Each Variable |
| X_1 | = Brand Image |
| X_2 | = Perceived Price |
| X_3 | = Perceived Quality |
| e | = Error Standard or Error Term |

RESULT AND DISCUSSION

Validity and Reliability Test

The value of Cronbach's Alpha of 20 items used in this research is 0.944 which is above the acceptable limit of 0.6, therefore the research instrument is acceptable as reliable. The value of MSA of all 20 items used in

this research are above 0.5. Therefore, the data is considered as valid and it can be used for further tests and analysis.

Ordinal Regression Analysis

In this section provides the result of Ordinal Regression Analysis by using SPSS 22.00 software.

Model Fitting Information

Table 1. Model Fitting Information

| Model | -2 Log Likelihood | Chi-Square | df | Sig. |
|----------------|-------------------|------------|----|------|
| Intercept Only | 496,664 | | | |
| Final | 373,278 | 123,386 | 16 | ,000 |

Link function: Logit.

Source: Data Processed (2017)

The model fitting information, -2 log Likelihood shows that without put independent variable (intercept only) its value 496.664. However with put dependent variable (final) there is decreasing value become 373.278. This value changing is chi-square value 123.386 and significance of actual level 5% (sig.0.000).

Goodness of fit

Table 2. Goodness-of-fit

| | Chi-Square | df | Sig. |
|----------|------------|------|-------|
| Pearson | 1431,748 | 1472 | ,769 |
| Deviance | 371,892 | 1472 | 1,000 |

Link function: Logit.

Source: Data Processed (2017)

The Goodness-of Fit shows the fit test model with data. Pearson value of 1431,748 with significance 0.769 (> 0.05) and Deviance value 371,892 with significance 1.000 (> 0.05). It means model fits the empirical data or model does fit the data well.

Pseduo R-Square

Table 3.Pseduo R-Square

| | |
|---------------|------|
| Cox and Snell | ,709 |
| Nagelkerke | ,714 |
| McFadden | ,248 |

Source: Data Processed (2017)

The Pseudo R-Square shows how big independent variable be able to explain dependent variable. These values as does the coefficient of determination in the regression. Cox and Snell value 0.709 (70.9%), Nagelkerke value 0.714 (71.4%) and McFadden 0.248 (24.8%). Among those three values of Pseudo R-Square, Nagelkerke is the biggest one with value of 0.714. It shows that Brand Image, Perceived Price and Perceived Quality able to explain Consumer Purchase Decision as much as 71.4% while the rest 28.6% is explained by other factors not included in this research.

Parameter Estimates

Parameter Estimates have to notice the Wald value and significance value. Variable X1 (Brand Image) has Wald value 14.270 with sig. 0.000 (<0.05), variable X2 (Perceived Price) has Wald value 6.828 with sig. 0.009 (<0.05) and variable X3 (Perceived Quality) has Wald value 19.458 with sig. 0.000 (<0.05). It shows that all independent variables which are Brand Image, Perceived Price and Perceived Quality have significant influence on Consumer Purchase Decision of Pond's skin care product.

The formula of ordinal regression model in this research is shown as follows:

$$E(y) = \frac{e^{496.664 + 0.280 \text{ Brand Image} + 0.251 \text{ Perceived Price} + 0.426 \text{ Perceived Quality}}}{1 + e^{496.664 + 0.280 \text{ Brand Image} + 0.251 \text{ Perceived Price} + 0.426 \text{ Perceived Quality}}}$$

y = Consumer Purchase Decision

Interpretation

1. Brand Image (X1) has significant influence on Consumer Purchase Decision (Y) of Pond's skin care product. The result of Brand Image: Estimate Value 0.280, Wald Value 14.270 and sig. 0.000 (< 0.05). This result shows the estimated coefficient for Brand Image is 0.280 and take the exponent of this to find OR with Brand Image as the base: $\exp(0.280) = 1.323$. Odd Ratio of Brand Image by dividing the exponent of 0.280 to 1, the result will be $1/1.323 = 0.755$. The odds of Brand Image of achieving a higher level are 24.5% (1-0.755).
2. Perceived Price (X2) has significant influence on Consumer Purchase Decision (Y) of Pond's skin care product. The result of Perceived Price: Estimate Value 0.251, Wald Value 6.828 and sig. 0.009 (< 0.05). This result shows the estimated coefficient for Perceived Price is 0.251 and take the exponent of this to find OR with Perceived Price as the base: $\exp(0.251) = 1.285$. Odd Ratio of Perceived Price by dividing the exponent of 0.251 to 1, the result will be $1/1.285 = 0.778$. The odds for Perceived Price of achieving a higher level are 21.2% (1-0.788).
3. Perceived Quality (X3) has significant influence on Consumer Purchase Decision (Y) of Pond's skin care product. The result of Perceived Quality: Estimate Value 0.426, Wald Value 19.458 with significance 0,000 (<0.05). This result shows the estimated coefficient for Perceived Quality is 0.426 and take the exponent of this to find the OR with Perceived Quality as the base: $\exp(0.426) = 1.587$. Odd Ratio of Perceived Quality by dividing the exponent of 0.426 to 1, the result will be $1/1.587 = 0.630$ The odds for Perceived Quality of achieving a higher level are 37% (1-0.630).

Test of Parallel Lines

Table 4. Test of Parallel Lines

| Model | -2 Log Likelihood | Chi-Square | df | Sig. |
|----------------|-------------------|------------|----|------|
| Intercept Only | 496,664 | | | |
| Final | 373,278 | 123,386 | 16 | ,000 |

Source: Data Processed (2017)

Test of parallel lines is used for testing assumption that every category has same parameter or relationship between independent variable with logit is equal with all logit equation. Table 4.9 gives the differences of -2 Log Likelihood between model with an intercept only and independent variable is as much as 354.889 with sig. 1.000 (> 0.05).

Discussion

In this research the data were collected from 100 respondents which is the consumers' of Pond's skin care product in Manado, and categorized by gender age, education, job, and income (per month). The result shows that 73% are female and 27% are male. Most of the respondents are between 21-30 years old which is 52% of respondents, in education level most of the respondents are 72% from high school, for job of most respondent answered others with 44%, and the largest number of sampled respondents 39% have income under Rp. 1.000.000.

Brand Image on Consumer Purchase Decision

Based on the research of questionnaire, the respondents who are the consumer of Pond's mostly agree that brand image effect the purchase decision on Pond's product, because as long as the product has been marketed Pond's can give a good impression to consumers' whereas in this research the aspect of brand image on consumer purchase decision are famous, trustworthy, reputation, memorable, and modern. This findings also supported by the achievement of Pond's as the most famous brand of skin care in Indonesia.

Perceived Price on Consumer Purchase Decision

The result shows the respondents who are the consumers' of Pond's mostly agree that perceived price effect the purchase decision on Pond's product which is the aspect of perceived price that use in this research are affordable, price according to benefits, competitive price, price according to quality, and price influencing consumers' to buy. Form the result of this research found that Pond's are able to fullfil the consumers' wants by determining the price which can make consumers' decided to buy and use Pond's as they daily skin care.

Perceived Quality on Consumer Purchase Decision

Based on the result of questionnaire, the respondents mosly agree that perceived quality effect the purchase decision on Pond's product which is the aspect of perceived quality that use in this research are safe to use, durability, standard of quality, aesthetics, and performance. Form the result of this research shows that Pond's is able to satisfy consumers expectations about the quality of the product. By maintaining the quality of this aspect it can make or affect the buyer's decision of consumers to keep buying and using Pond's as they skin care.

CONCLUSION AND RECOMMENDATION

Conclusion

After examining the findings and discussing the result, three conclusions can be formulated:

1. All independent variables which are brand image, perceived price and perceived quality are proven to significantly have a positive influence on consumers' purchase desicion of Pond's skin care product simultaneously.
2. Brand image is proven to have a significant and positive influence on consumer purchase decision of Pond's skin care product partially.
3. Perceived price is proven to have a significant and positive influence on consumers' purchase desicion of Pond's skin care product partially.
4. Perceived quality is proven to have a significant and positive influence on consumers' purchase desicion of Pond's skin care product partially.

Recommendation

1. The company have to be more pay attention and increase the brand image of product Pond's by doing various advertising through media or do the various beauty events, because not all people have the same perception or good things about product Pond's.
2. Price has the important role in selecting skin care product. In order to keep the consumer of product Pond's, it is better for company to keep consistence about the price management because when consumer want to buy skin care they will seek for an affordable price considering there are a lot of product that similar with pond's. For other recommendation, the company should add more promotion such as discount or special price, so it can attract more people to buy Pond's.
3. For quality, it is important for company to keep maintaining and improve the performance quality of Pond's product in order to satisfy the consumer wants and needs. Because consumer will have their own perception about the quality of product Pond's. By having a good performance quality consumer will have a judgment of Pond's that leads to the perceived quality.
4. To improve this research, the next researcher should add more variable or interviewing to make a better result for the influence on purchase decision.
5. The future research might use many more sample, in the large scale of the research object. Hopefully with that, the future research can have specific details for the research.

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