The Influence of Product Quality, Brand Image, Price Perception on the Purchase Decision Process of Food and Beverages

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Abstract This study examines the influence of product quality, brand image, and price perception on the food and beverage purchasing decision process. The sampling technique used purposive sampling with the following criteria: consumers at least 17 years old, consumers or customers who have consumed Swallow's nest food and drink. The data collection technique used a questionnaire that has been tested for validity and reliability. Data analysis tecnique that used in this study is multiple linear regression, the purpose of which is to study the variables of product quality, product image and price perception in the purchase decision process. As the result, product quality, product image and price perception had a positive and significant effect on the purchase decision process. The study has theoretical and practical implications

Keywords: Product Quality, Brand Image, Price Perception, and Purchase Decision Process

1 Introduction

Swallow's nest products, both food and beverages, is well known among Chinese people as a good medication to maintain their health. The benefits of swallow's nest are not only for health, but also to maintain beauty from within. The Chinese believe that consuming swallow's nest can reduce the heart attact risk, a source of antioxidants, a source of minerals, high amino acids, and much more. Swallow's nest is a mixture of saliva that comes from swallows in the shape of a bowl. There are about 24 species of swallow birds, but only 4 of them that can form nests with their saliva and consumed by humans.

Swift nests is one of the most important export commodities in Indonesia's livestock industry. The Central Bureau of Statistics (BPS) reported that Indonesia's onion nest exports in 2021 were 517.03 million US dollars and 1,505.5 tons. The Exports of swiftlet nests had reached its highest level of US\$540.37 million in 2020. **FIGURE 1** is a graph of the data swallow nest export statistics in Indonesia:



Fig. 1. Exports of Indonesian Swallow's Nest (2012-2021) Source: Central Bureau of Statistics

The export of swallows decreased by 4.27% compared to the previous year and amounted to 540.37 million dollars.Meanwhile, the export volume of Indonesian swiftlet nests has increased 14.7% on an annual basis. In 2020, the export volume of swallow's nests was recorded at 1,312.5 tons. Meanwhile, Indonesia mostly exported swallow nests to China worth US\$350.86 million with a volume of 228.8 tons last year. Indonesia also exported a lot of swiftlet nests to Hong Kong worth US\$ 93.01 million with a volume of 989.9 tons. Indonesia also exported swallow nests to Singapore worth US\$29.41 million with a volume of 80 tons. Meanwhile, domestic exports of swallow nests to the United States were valued at US\$26.74 million with a volume of 66.2 tons.

In this study, we will analyze the influence of product quality, brand image, and price perceptions on the purchasing decision process of swallow's nest food and drink. Therefore, with respect to purchasing decisions, the research gap listed in the following journals, namely Muharam, Wifky, and Euis Soliha (2017)^[19], noted hat product quality has a significant impact on the purchasing decision process. In another study by Amelisa, Lisa, Sepris Yonaldi and Hesti Mayasari (2018)^[1], said that product quality does not affect the purchase decision process. Fatmawati, Nurul and Euis Soliha (2017)^[6] argued that brand image positively influences the purchase decision process. However, in the journal Lubis, Desy Irana Dewi and Rahmat Hidayat (2019)^[16] stated that the product image does not influence the purchase decision process. Syamsidar, Rizky and Euis Soliha (2019)^[26] state that price perception has a significant positive impact on the purchase decision process. However, in Setyarko, Yugi (2016)^[25]claimed hat consumer prices do not influence the purchase decision process.

1.1 Product Quality and Purchasing Decisions Process

The Quality of product offered by the company has to gain the interest of costumers in buying or using these products (P. Kotler and Armstrong, 2014)^[12]. Products describe the ability of the

product to satisfy customer needs (Efendi and Rois Arifin, 2018)^[5].According to Yusuf Bagus Prakosa and Endang Tjahjaningsih (2021)^[20] Product quality and purchasing decisions are two things that are interconnected. The improvement of purchasing desision is linear with the better of product quality. Based on previous research conducted by Muharam, Wifky, and Euis Soliha (2017)^[19], Dila Purnama Sari, and Euis Soliha (2021)^[24] stated that product quality has a positive and significant effect on purchasing decisions.

H1: Significant product quality has a positive effect on purchasing decisions.

1.2 Brand Image and Purchase Decision

Brand image is the associative phase that is experienced from time to time as a direct and indirect experience of the purchased brand (Tjiptono, 2014)^[27]. According to Finna Azhara Jelita, Euis Soliha and Rokh Eddy Prabowo (2022)^[10] Brand image is considered as consumer perception and trust, which is reflected in associations or consumer memory. Based on earlier research by Rivai, Janes (2021)^[23], stated that brand image has a positive and significant effect on purchasing decisions.

H2: Brand image has a significant positive effect on purchasing decisions process.

1.3 The Relationship Between Perceived Price and Purchase Decision

Customers make purchase decisions based on their perceived price and quality (Efendi and RoisArifin, 2018)^[5]. Price perception is the mportant aspect for customers when making a purchase decision. Based on previous research by Fatmawati Nurul, and Euis Soliha (2017)^[6], Rizky Syamsidar, and Euis Soliha (2019)^[26] stated that price perceptions have a significant effect on purchasing decisions process.

H3: Significance of perceived price has a positive effect on purchasing decisions process.

Research Model



Fig. 2. Research Model

2 Methods

This research used a is primary data obtained from the answers to each respondent's questionnaire. The data obtained is in the form of recapitulation data from questionnaires about the characteristics of gender, age , last education, type of work, monthly income. The population in this research is 100 respondents. The sampling technique in this study used a census sampling technique, that taking the entire population as the research sample. The sample in this study took the entire population, namely 100 respondents.

Furthermore, to test the hypothesis, the researcher used the Multiple Regression analysis method simultaneously. But the validity of data must be examine before testing the hypothesis based on the criteria for a loading factor value above 0.4. In addition, the reliablity of the data must be ensure so that the data used is reliable by using the Cronbach's Alpha value of 0.5 as a reference.

3 Results And Discussion

3.1 Validity Test

In the analysis conducted, the KMO value of all variables used in this study was greater than 0.5, which indicated that the sample adequacy criteria for this study were met to conduct factor analysis. In addition, the loading coefficient of all indicators of all variables is greater than 0.4, so all indicators are recognized as valid and suitable for the study.

3.2 Reliability Test

The analysis showed that all variables had a Cronbach alpha above 0.7, therefore it can be concluded that the questionnaire as a data collection tool in this study was reliable.

No	Variable Equations	Adjusted R Square	F test		T test		Information
INO			F	Sig	Betas	Sig	Information
1	Effect of Product Quality, Brand Image and Perceived Price on Purchase Decision Process	0.635	58,358	0.000			
2	Product Quality				0.239	0.005	Hypothesis

 Table 1. Multiple Linear Regression Analysis

	Affects the			Accepted
	Purchase			
	Decision Process			
3	Brand Image			
	Influences the	0.309	0.002	Hypothesis Accepted
	Purchasing	0.309		
	Decision Process			
4	Price Perceptions			
	Influence the	0.359	0.002	Hypothesis
	Purchasing	0.359		Accepted
	Decision Process			

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Regression Equation = Y = 0.239 X_1 + 0.309 X_2 + 0.359 X_3
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Based on the results of multiple regression analysis, the multiple linear regression equation can be as follows:

$$Y = \alpha + \beta 1 X 1 + \beta 2 X 2 + \beta 3 X 3 + \varepsilon$$
 (1)

	$I = u + pI \Lambda I + pZ \Lambda Z$
Neighborho	od :
Y	: Purchasing Decision
α	: Constant
β1, β2, β3	: Regression coefficient
X1	: Product Quality
X2	: Brand Image
X3	: Perceived Price
3	: Residual

3.3 Test Models 3.3.1 F Test

The F-test is used to determine the combined effect of independent variables on the dependent variable. With a significance level of 0.05, this is said to be feasible. Variables in the purchasing decision process that concern product quality, product image and price perception. Based on Table 4.6, the following statistical calculations using SPSS give an F-test result of 58.358 at a significance level of 0.000, which is less than $\alpha = 0.05$. In these results, the independent variables (product quality, product image, and perceived price) together influence the dependent variable (purchase decision process).

3.3.2 Coefficient Testdetermination (R²)

The coefficient of determination (R2) in this study uses the adjusted R-square to measure how wellthe variation in the dependent variablecan be explain by the independent variabal. The score of the coefficient of determination that can be except is between zero and one. If the resulting R2 is close to one, it can be said that the model becomes stronger in explaining the relationship between the independent variable and the dependent variable. However, the closer the variable is to zero, the weaker the relation between the independent variable on the dependent variable. Using the SPSS program, the results of calculating the coefficient of determination show that the Adjusted R2 is 0.635 or 63.5%. This means that the variables of product quality, product image and price perception can explain 63.5% of the variation in food and beverage swallow's nest purchase decision. The remaining 36.5% (100% -63.5%) can be explained (influenced) by other non-model reasons.

3.3.3 Hypothesis Testing

Using a multiple regression model, the study discovers how much the dependent variable of the purchase decision process is influenced by product quality, brand image and price perception, which can be seen in the summary of the results of multiple regression calculations. In Table 4.6 as follows:

a. Hypothesis 1

Based on **Table 4.6**, it can be seen that the significant value is 0.005 < 0.05 and the beta value is 0.239 (positive). This means that in hypothesis 1, which states that product quality has a positive and significant effect. Therefore, it can be concluded that hypothesis 1 is accepted.

b. Hypothesis 2

Based on **TABLE 4.6**, it can be seen that the significant value is 0.002 < 0.05 and the beta value is 0.309 (positive). This means that in Hypothesis 2, which states that brand image has a positive and significant effect. Therefore, it can be concluded that hypothesis 2 is accepted.

c. HYPOTHESIS 3

Based on **TABLE 4.6**, it can be seen that the significant value is 0.002 < 0.05 and the beta value is 0.359 (positive). This means that in Hypothesis 3, which states that price perception has a positive and significant effect. Therefore, it can be concluded that hypothesis 3 is accepted.

3.4 Discussion

Product quality influences the purchasing decision process, namely the product quality variable with a value of Standardized Coefficients Beta 0.154. This research is in line with

Muharam, Wifky, and Euis Soliha (2017)^[19], Sari, Dila Purnama, and Euis Soliha (2021)^[24], and Fatmawati, Nurul, and Euis Soliha (2017)^[6] Empirical evidence has been found that product quality significantly affects the purchase decision.

The brand image variable has a positive and significant effect on the purchase decision process, namely the product image variable with a beta value of 0.477 for standardized coefficients. This study is consistent with the fact that Rivai, Janes (2021)^[23] found empirical evidence that brand reputation variables have a positive and significant effect on purchase decisions. According to Kotler, Philip; Keller (2012: 272)^[13] brand image is the hidden vision and trust of consumers as a reflection of associations in the memories of consumers. Wifky Muharami and Euis Soliha (2017)^[19] define that brand image as "a brand image or brand description is a tools to describes consumer associations and beliefs about certain brands".

The price perception variable has a positive and significant effect on the purchase decision process, namely the product image variable with a beta value of 0.453 for standardized coefficients. This study is consistent with Fatmawat, Nurul and Euis Soliha (2017)^[6], Syamsidar, Rizky and Euis Soliha (2019)^[26] that price perception has a significant influence on purchasing decisions.

4 Conclusion

Based on the results of the analysis carried out in this study, it can be concluded that the variable of product quality, brand image and the price perception have a positive and significant effect on the purchase decision process when buying a swallow's nest of food and beverages. The study has theoretical and practical implications. The results of this research are expected to contribute to the development of science, especially in the economic field related to marketing management. This research has theoretical and practical implications.

4.1 Theoretical Implications

This study is supported by the recent researchers. For the quality product variabel as Muharami, Wifky and Euis Soliha (2017), statedthat product quality has a positive and significant effect on the purchase decision process, the variable of brand image, which is supported by the study of Rivai, Janes (2021) that also stated hat product image has a positive and significant effect on the purchase decision process, as well as the price perception variable supported by Syamsidar, Rizky, and Euis Soliha (2019), according to which price perception has a positive and significant effect about the purchase decision process.

4.2 Practical Implications

- a. The results of this study are expected to contribute to the development of science, especially in the economic field related to marketing management.
- b. The company is expected to analyze the factors affecting the purchase decision making process so that the company can continue to survive in the competition.

4.3 Research Limitations

- a. In this study, only three independent variables and one dependent variable, namely product quality, product image and price perception, are used in the purchase decision process.
- b. When conducting a questionnaire distribution, up to 100 respondents allow different results when examining the total consumer of food and drink swallows' nests.

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