

Can Brand Image, Price Perception, and Product Quality Improve Purchase Decisions? A Study of Students' Perceptions

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Abstract

The rapid development of technology has made people need smartphones to carry out all their activities. Xiaomi is one of the 4th largest smartphone manufacturers in the world, but have not been successful and have not been able to maintain competition in terms of recognizing consumer needs and desires compared to similar companies. This study aims to determine the effect of brand image, price perception, and product quality on purchasing decisions for Xiaomi smartphones at the Faculty of Economics, Semarang University. The method used for data collection is a questionnaire with a Likert scale, with a total of 96 respondents. The type used a quantitative descriptive study. The sampling technique employs a non-probability sampling approach, specifically a purposive sampling method. The data analyzed using SPSS 26. The data analysis test used validity tests, reliability tests, multiple linear regression analysis, hypothesis testing through t-tests, F-tests, and coefficients of determination. The results show that the brand image variable does not have a significant effect on purchasing decisions. Furthermore, the price perception variable has a positive and significant effect on purchasing decisions. The study concludes that the product quality variable has a positive and significant effect on purchasing decisions.

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

INTRODUCTION

In the era of increasingly demanding globalization like now where to reach all matters related to communication can be done easily and quickly. The rapid development of technology makes people need smartphones to do all their activities. Smartphones are mobile phones that have an operating system for the wider community, their functions are not only limited to SMS and phone calls, users can freely add applications and add or change functions according to user wishes. Xiaomi is one of the 4th largest smartphone brand manufacturers in the world that develops, designs, and sells smartphones, mobile applications, and is a symbol of Xiaomi Inc. The Xiaomi Smartphone Market Share data compared to its competitors can be seen in Figure 1.

The table 1 shows the International Data Corporation (IDC). It can be seen that the Xiaomi Smartphone IDC shows a decline from 2021 to 2023. This suggests that the Xiaomi Smartphone manufacturer has not been successful and has not been able to maintain competition in terms of understanding consumer needs and desires compared to similar companies. Nowadays, smartphones are very necessary to support daily activities, especially for students because almost every activity they do requires a smartphone that can facilitate them, especially in learning activities. The existing consumer stigma regarding the Xiaomi brand originating from China is still considered to be of low quality, copied products, and easily damaged. This can influence purchasing decisions.

Previous research conducted by Nuraini et al. (2023) stated that brand image has a positive effect on purchasing decisions. However, the results of this study differ from research by Prabowo et al. (2020) which stated that brand image does not have a positive and significant effect on purchasing decisions. Another study by Noviyanti and Aminah (2022)

Table 1. Smartphone Market Share Data in Indonesia 2020 – 2023

Smartphone	Year			
	2020	2021	2022	2023
Xiaomi	20.26	19.88	14.2	12.8
Samsung	24.44	17.66	21.7	20.0
Oppo	21.24	20.88	22.4	23.3

Source: IDC Quarterly Mobile Phone Tracker

stated that price perception has a positive and significant effect on purchasing decisions. Meanwhile, research by Arifin et al. (2023) stated that price perception does not affect purchasing decisions. Research by Fera and Pramuditha (2021) stated that product quality has a positive effect on purchasing decisions. However, research by Larassati and Lumanauw (2021) stated that product quality does not affect purchasing decisions.

The formulation of the problem in this study is whether there is an influence of brand image, price perception, and product quality on the purchasing decisions of Xiaomi smartphones among students of the Faculty of Economics, Semarang University. The purpose of this study is to determine the influence of brand image, price perception, and product quality on purchasing decisions.

LITERATURE REVIEW

Buying Decision

According to Mangkunegara (2013), purchasing decisions are the stages of unifying and combining knowledge in assessing two or more alternative attitudes, and selecting them. The result of this unification stage is a choice that is displayed cognitively as a willingness to act. The indicators used in this study to determine purchasing decisions are taken from Tjiptono (2019), namely product fidelity, product purchasing habits, providing recommendations to others, and repeat purchases.

Brand Image

Brand image represents the overall perception of a brand, formed from information and past experiences with that brand. A positive product image benefits the company, as consumers will subconsciously recommend the product to others. Conversely, a negative product image will cause consumers to spread negative information to others. Brand image can be defined as the impression that develops from a product or service brand, formed based on both tangible and intangible product advantages. It is structured through specific beliefs, thoughts, and values, creating a unique brand (Meutia and Hadita 2021). The indicators used in this study according to Kiswanto et al. (2023) are maker image, product image, user image.

Price Perception

Price perception is a consumer's opinion or evaluation of the price of a product or service. It reflects how consumers perceive a price as fair, expensive, or affordable based on the value they receive from a product or service. According to Aisyah and Rosyidi (2023), price perception is the amount of money charged for a product or service or the sum of the values exchanged by consumers to obtain the benefits of using a product or service. The indicators in this study were taken from Lestari and Widjanarko (2023), namely the suitability of price to product quality, competitive price, and suitability between price and benefits obtained.

Product Quality

Product quality is one of the keys to competition between businesses offered to consumers. Some consumers assume that expensive products are quality products, but consumers always want to get quality products for the price they pay. If a company can implement this, it will be able to continue to satisfy consumers and increase the number of customers. According to Safitri and Santoso (2023), product quality is the knowledge that a product offered by a seller has a higher price and selling value than competitors' products. Therefore, companies strive to concentrate on product quality and evaluate it against competitors' offerings. The indicators used in this study are from research by Setiyana and Yusi (2019), namely product characteristics, compliance with specifications, durability, reliability, and design. Based on the framework of thought in [Figure 1](#), the research hypothesis is:

H1: Brand image has a positive influence on purchasing decisions.

H2: Price perception has a positive influence on purchasing decisions.

H3: Product quality has a positive effect on purchasing decisions.

RESEARCH METHOD

The type of research used by the author is quantitative descriptive research. The descriptive method is a research approach that aims to describe an event, phenomenon, or situation accurately and systematically as it exists at the time the research is conducted. The method used in this study is a questionnaire. This questionnaire is conducted by providing written questions or statements to be answered by respondents. The questionnaire is used to obtain primary data from respondents, namely consumers who use Xiaomi smartphones at the Faculty of Economics, Semarang University. The measurement tool used in this study is a Likert scale. The population in this study are consumers who have used Xiaomi smartphones at the Faculty of Economics, Semarang University. This study uses non-probability sampling with a purposive sampling technique. The sample used in this study are students of the Faculty of Economics, Semarang University. The analytical method used in this study is multiple linear regression analysis with validity and reliability tests then tested using SPSS 26. The multiple regression analysis method is assessed from the t-test and coefficient of determination.

RESULT AND DISCUSSION

Validity and Reliability Test

The [Table 2](#) shows that all indicators used to measure the variables in this study have a correlation value of $r\text{-count} > r\text{-table}$. Therefore, it can be concluded that all indicators are valid. The [Table 3](#) shows that each variable has a Cronbach's Alpha value above 0.060. Therefore, the measuring instrument used in this study is reliable.

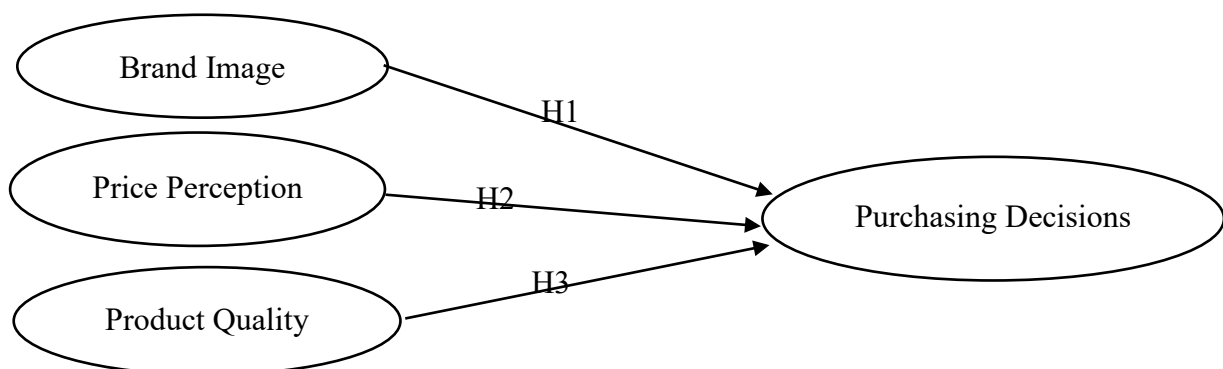


Figure 1. Framework of Study

Table 2. Validity Test

Variables	Indicator	r-Count	r-Table	Information
Brand Image	X1.1	0.639	0.169	Valid
	X1.2	0.620	0.169	Valid
	X 1.3	0.747	0.169	Valid
Price Perception	X2.1	0.855	0.169	Valid
	X2.2	0.843	0.169	Valid
	X2.3	0.877	0.169	Valid
Product Quality	X3.1	0.793	0.169	Valid
	X3.2	0.840	0.169	Valid
	X3.3	0.797	0.169	Valid
	X3.4	0.811	0.169	Valid
Buying decision	Y1	0.771	0.169	Valid
	Y2	0.800	0.169	Valid
	Y3	0.845	0.169	Valid
	Y4	0.859	0.169	Valid

Source: data processed using SPSS 26

Table 3. Reliability Test

Variables	Alpha	Information
Brand Image	0.902	Reliable
Price Perception	0.889	Reliable
Product Quality	0.896	Reliable
Buying Decision	0.899	Reliable

Source: data processed using SPSS 26

Table 4. Multiple Linear Regression Testing

Model	Unstandardized Coefficients		Standardized Coefficients	t-value	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.444	2.071		1.180	0.241
Brand Image	0.090	0.169	0.043	0.535	0.594
Price Perception	0.577	0.147	0.404	3.929	0.000
Product Quality	0.363	0.107	0.339	3.387	0.001

Dependent Variable: Purchase Decision

F-value=28.474 , Sig.=0.000, Adjusted R Square = 0.465

Source: data processed using SPSS 26

Multiple Linear Regression

Based on [Table 4](#), the multiple regression equation is $Y = 0.043 X_1 + 0.404 X_2 + 0.339 X_3$. The multiple linear regression equation above can be interpreted as the regression coefficient for the brand image variable is positive at 0.043. This indicates a positive influence between brand image and purchasing decisions. This means that the better the brand image, the higher the purchasing decisions. The regression coefficient for the price perception variable is positive at 0.404. This indicates a positive influence between price perception and purchasing decisions. This means that the better the price perception, the higher the purchasing decision. The regression coefficient for the product quality variable is positive at 0.339. This indicates a positive influence between product quality and purchasing decisions. This means that the better the product quality, the higher the purchasing decision.

T-test Result

The [Table 4](#) shows that the results of the t-test calculation can be seen through the calculated t-value and its significance value. The t-table value is 1.98580 at a significance level of 5%. Thus, the following results are obtained that It is known that t-count of brand image of $(0.535) > t\text{-table } (1.98580)$ and $\text{Sig. } (0.594) > 0.005$. This means that the brand image variable does not have a significant effect on purchasing decisions, so H1 is rejected. Furthermore, it is known that t-count of price perception of $(3.929) > t\text{-table } (1.98580)$ and $\text{Sig. } (0.000) < 0.005$. This means that the price perception variable has a significant positive effect on purchasing decisions, so H2 is accepted. Finally, it is known that t-count of product quality of $(3.387) > t\text{-table } (1.98580)$ and $\text{Sig. } (0.001) < 0.005$. This means that the product quality variable has a significant positive effect on purchasing decisions, so H3 is accepted.

F-test Result

From the [Table 4](#), the F-test results in this study yielded a calculated F-value of 28.474, with a significance level of 0.000, less than 0.05. Therefore, it can be concluded that the regression model used in this study is a good predictive model. Furthermore, the independent variables collectively influence purchasing decisions.

Coefficient of Determination Testing

The [Table 4](#) shows that the regression calculation results obtained an adjusted coefficient of determination (adjusted R-square) of 0.465. This means that 46.5% of the variation in purchasing decision variables can be explained by the independent variables of brand image, price perception, and product quality. The remaining 53.5% is explained by other factors not examined.

Discussion

The Influence of Brand Image on Purchasing Decisions

The results of this study indicate that brand image does not significantly influence purchasing decisions. These results suggest that a positive brand image does not necessarily increase purchasing decisions. This finding contradicts previous research by Vindiana and Lestari (2023), which found that brand image significantly influences purchasing decisions.

The Influence of Price Perceptions on Purchasing Decisions

The results of the study indicate that price perception has a positive and significant effect on purchasing decisions. This is consistent with the price perception indicator, which suggests that the better the price perception, the higher the purchase decision. These results align with previous research by Azahari and Hakim (2021), which found that brand image significantly influences purchasing decisions.

The Influence of Product Quality on Purchasing Decisions

The results of the study indicate that product quality has a positive and significant effect on purchasing decisions. This is consistent with the product quality indicator, which suggests that better product quality leads to higher purchasing decisions. These results align with previous research by Putra, et al. (2023), which found that product quality significantly influences purchasing decisions.

CONCLUSION

Based on the results of research that has been conducted on the influence of brand image, price perception, product quality on Xiaomi smartphone purchasing decisions on students of the Faculty of Economics, University of Semarang, it can be concluded that Brand Image (X1) does not have a significant influence on Xiaomi smartphone purchasing decisions on students of the Faculty of Economics, University of Semarang, which means that the current brand image of Xiaomi smartphones does not influence consumer decisions to purchase the product. Price Perception (X2) has a positive and significant influence on Xiaomi smartphone purchasing decisions on students of the Faculty of Economics, University of Semarang, which means that the better the price offered by Xiaomi, the higher the purchasing decision will be. Product Quality (X3) has a positive and significant influence on Xiaomi smartphone purchasing decisions on students of the Faculty of Economics, University of Semarang, which means that the better the quality of the product offered, the consumer purchasing decision will increase.

Amidst the increasingly high competition between smartphone manufacturers, it is hoped that the Xiaomi company will make its products as attractive as possible and give a good impression to its users and adjust the price to the benefits of the marketed product, in order to increase consumer purchasing decisions.

This study only considers 3 variables, namely brand image, price perception, and product quality as determining factors for purchasing decisions, while there are still many other aspects that may also play a role in determining purchasing decisions. The adjusted coefficient of determination (adjusted R-square) was 0.465. This means that 46.5% of the variation in the purchasing decision variable can be explained by the independent variables of brand image, price perception, and product quality. The remaining 53.5% is explained by other variables. Therefore, future researchers can add more variables to increase the adjusted R-square value.

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