



The influence of brand image price and location on product purchase decision on JCo donuts products

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ABSTRACT

This study aims to examine Brand Image on purchasing decisions, price on purchasing decisions, and location on purchasing decisions on J.Co Donuts products. Product purchasing decisions are directly influenced by the company's brand image, consumers decide to buy a product based on the price and location of a brand or product. This research uses quantitative methods. Data collection in this study uses questionnaire data and literature studies with a population of customers who have purchased J.Co Donuts. Sampling using nonprobability sampling method with accidental sampling technique with a sample size of 100 respondents who are consumers who have purchased J.Co Donuts products. This research uses SPSS software version 22. To collect data, including observation of the distribution of questionnaires and literature studies. The analysis methods used are validity test, reliability test, classical assumption test, multiple linear analysis and hypothesis testing. The findings of the research prove that the brand image variable does not have a significant influence between brand image on purchasing decisions. The price variable has a significant effect on purchasing decisions. The location variable has no significant effect on purchasing decisions.

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INTRODUCTION

The development of the food and beverage industry in Indonesia is currently growing rapidly. Food and beverages, which are basic human needs, make business actors in each business category to keep up with the times and innovate to make innovative products that can attract consumer buying interest. In the food and beverage industry, Indonesians love sweet foods and drinks. This can be seen from basic health research released by the Ministry of Health. According to data and basic health research in 2018, 61.3% of respondents consumed sugary drinks more than once per day. Basic health research also noted that 40.1% of respondents consumed sweet foods more than once per day. (Ahdiat, n.d.).

Consumers usually make a brand image as a reference before deciding to buy a product. So the company must be able to create an attractive brand image and show the advantages of its

products in accordance with the wants and needs of consumers (S. L. Nasution et al., 2020), Brand is also the overall consumer perception of a brand. Consumers perceive the image from many sources, such as television advertisements, promotions or press releases from the company. Thus consumers have a positive image of the brand (Machfiroh, 2018). Brand image is important because it can describe the perception of consumer confidence in the product, so the more positive the brand image, the more consumers will believe in it (Wijaya & Annisa, 2020). Brand image is what consumers think or feel when they hear or see a brand name (Farisi, 2018). The following are indicators that can affect brand image according to (Thoriq Shofwan, Lina Aryani, 2021) recognition, reputation, affinity, and loyalty.

Every business must have a strategy to attract customers and survive in the midst of intense competition. Reasonable prices attract consumers to buy products and increase consumers' desire to buy the products on offer (Machfiroh, 2018). Price is one of the factors that can influence a person to make a purchase decision (Fatimah & Nurtantiono, 2022), Price is also the amount of value that consumers exchange for the benefits of owning or using a product or service whose value is determined by the buyer or seller through bargaining or set by the seller for the same price for all buyers (Kambali & Syarifah, 2020). Purchasing decisions are the stages used by consumers when they want to purchase goods or services (A. E. Nasution et al., 2019), Purchasing decisions are also the stages that consumers use when they want to purchase goods or services (Agatha, 2018). The company must also be able to determine a strategic location and easily reach consumers, which is close to the city center or activity center (Hidayat, 2020). Location is a decision made by the company regarding where operations and staff will be located (Noviyanti & Hayati, 2019), Location is also a place to carry out a business and is a crucial factor in the success or failure of a business (Kurniawan, 2018). There are also several indicators that can affect location including access, visibility, and parking lots (Ginancar et al., 2022).

J.Co Donuts is a donut product brand originating from Indonesia, which was founded by Johnny Andrean who is a salon owner in Indonesia (Sari, 2021). The J.Co Donuts business began with Johnny's habit of frequent business trips to America and liked to taste various kinds of donuts in America which made him inspired to start a typical American donut business and start developing ideas and innovations to establish this J.Co Donuts business (Desi, n.d.).

Indonesia has several donut companies that are popular and in demand by many people including J.Co, Krispy Kreme Doughnuts, Dunkin Donut, Mister Donut, Dino Donut, Dapur Ola, and Honey Donut (Lestari, 2021). The first donut outlet in Indonesia was Dunkin Donut which was established in 1985 which existed long before J.Co Donuts was established and has been widely recognized by the Indonesian people (Berempat, n.d.). J.Co comes with an American-style donut business revolution by carrying the concept of an open kitchen donut shop. This open kitchen concept is intended so that customers can witness firsthand the process of making hygienic donuts and using quality ingredients (WISATAWAN & USAHA, 2017).

Dunkin Donut only focuses on selling donuts and coffee, but now this restaurant has started selling other menus, namely, Croissants, and Flatbread which are also offered at every Dunkin Donut Indonesia outlet (Linda, 2021). J.co Donuts has food products in the form of donuts and beverage products in the form of coffee and frozen yogurt. What is superior in this J.co product is the food product, namely donuts. J.Co donuts is superior to its competitors because the donuts that J.Co sells are softer and have more interesting topping variant (Utami & Nodia, n.d.).

The percentage of the Top Brand Index shows that in 2016 Dunkin Donut was in first place and J.Co Donuts was in second place. Then since 2017 Dunkin Donut has experienced a decline and instability until 2022. And it can be seen that in 2022 Dunkin Donut experienced a drastic decline to reach 38.50%. J.Co Donuts can outperform Dunkin Donut and continue to be in the top position from 40.60% in 2016 and continue to rise until 2022 to 51.90%. Then in 2022 Krispy Kreme Doughnuts entered the Top Brand Awards with a percentage of 2.90% (Top Brand Award, 2020).

RESEARCH METHOD

Types of research

This study uses a quantitative approach according to, which is a method that emphasizes aspects of social phenomena that are objectively measurable (Surya Bintarti, 2015). This is based on the title reviewed, namely "The Effect of Brand Image, Price, and Location on Product Purchasing Decisions on J.Co Donuts Products". The author wants to find out whether there is an influence between Brand Image, Price, and Location on Purchasing Decisions.

Data analysis technique

Data analysis is one of the methods used to determine the extent to which variables affect other variables so that the data collected can be useful, it must be processed or analyzed first so that it can be used as a consideration in decision making (Cahya, n.d.).

Classic assumption test

Normality Test: One of the statistical tests that can be used to test the normality of the residuals is the Kolmogorov-Smirnov non-parametric statistical test (K-S) at an alpha of 5% (Nurcahyo & Riskayanto, 2018). If the significant value of the Kolmogorov-Smirnov test is greater than 0.05, it means the data is normal, otherwise the data is not normally distributed and Heteroscedasticity Test: The test used to detect heteroscedasticity is by looking at the Scatterplot graph.

Quantitative Test

Simple Linear Regression Analysis, Multiple Linear Regression Analysis, Correlation Coefficient Analysis.

Hypothesis testing

Hypothesis testing is carried out by Partial Hypothesis Testing (t Test).

RESULTS AND DISCUSSIONS

Data Description

Data collection in this study was obtained by distributing questionnaires using google forms to consumers who have purchased J.Co Donuts products totaling 100 respondents and all were sampled, namely 100 respondents. Determining the sample in this study with non-probability sampling when the sample does not show the same probability or opportunity for each item or member of the population selected for the sample, this study uses accidental sampling techniques because the population is not limited.

Characteristics of Respondents

The characteristics of the respondents in this study were divided into 4 categories which included Age, Gender, Occupation and Income.

Instrument Data Test

Data instrument testing is needed to find out that the variables studied have a function as a means of proof including validity tests and reliability tests.

Validity test

The significance test is carried out by comparing the calculated r value with the r table for degree of freedom (df) = n-2, in this case n is the number of samples. The basis for decision making in the validity test: If $r_{count} > r_{table}$, then the question items in the questionnaire correlate to the total score,

meaning that the questionnaire items are declared valid. If $r_{count} < r_{table}$, then the question items or statements in the questionnaire do not correlate to the total score, which means that the questionnaire items are declared invalid (Susanti, 2017).

Reliability Test

Reliability test is an index that shows the extent to which a measuring instrument can be trusted or relied upon. It is known that the calculation of the reliability test must be carried out externally and internally. Reliability measurement uses the Cronbach Alpha (α) statistical test with SPSS. A research variable is said to be reliable if it meets the following criteria:

- a. If Cronbach Alpha > 0.60 it is said to be reliable
- b. If Cronbach Alpha < 0.60 it is said to be unreliable

Multicollinearity Test

The multicollinearity test aims to test whether the regression model found a correlation between independent variables (independent). Detection to determine the presence or absence of multicollinearity symptoms in the regression model of this study can be done by looking at the Variance Inflation Factor (VIF) value, and the tolerance value. This test uses the VIF (Variance Inflation Factor) test. If $VIF < 10$ and tolerance value ≥ 0.10 then the regression is free from multicollinearity.

Table 1. Multicollinearity test results

| Model | | Coefficients ^a | | | | t | Sig. | Collinearity Statistics | |
|-------|------------|-----------------------------|------------|--------------|-----------|------|------|-------------------------|--|
| | | Unstandardized Coefficients | | Standardized | Tolerance | | | VIF | |
| | | B | Std. Error | Coefficients | | | | | |
| 1 | (Constant) | 5,450 | 5,554 | | ,981 | ,329 | | | |
| | BRAND | ,279 | ,163 | ,186 | 1,712 | ,090 | ,396 | 2,523 | |
| | IMAGE | ,254 | ,120 | ,198 | 2,117 | ,037 | ,534 | 1,873 | |
| | PRICE | ,757 | ,149 | ,469 | 5,097 | ,000 | ,551 | 1,814 | |

a. Dependent Variable: Purchase Decision

Source: SPSS Calculation Results Version 22, 2023

It can be seen that from this table it can be obtained that the Brand Image variable has Tolerance = 0.396 and VIF 2.523. Because Tolerance is greater than the minimum requirement ($0.396 > 0.1$) and the VIF value is lower than the maximum requirement ($2.523 < 10$), it can be concluded that the multiple linear regression analysis does not have a multicollinearity problem (the model developed is correct), the Price variable has a Tolerance value = 0.534 and VIF 1.873. Because Tolerance is greater than the minimum requirement ($0.534 > 0.1$) and VIF is lower than the minimum requirement ($1.873 < 10$), it can be concluded that multiple linear regression analysis does not have a multicollinearity problem (the developed model is correct) and the Location variable has a Tolerance value greater than the minimum Purchase Decision ($0.551 > 0.1$) and a VIF value lower than the maximum requirement ($1.814 < 10$) Therefore, it can be concluded that there is no multicollinearity problem in multiple linear regression analysis (the developed model is correct).

Regression Analysis Test

Regression analysis is used to find out how the pattern of the dependent variable can be predicted through the independent variables (predictors). In this study, 1 types of regression tests were used, namely multiple linear regression tests.

Multiple Linear Regression Test

Multiple regression analysis in this study aims to determine the magnitude of the influence of the independent variable (Y) on the dependent variable (X).

Table 2. Multiple regression of brand image, price, and location on product decision

| | | Coefficients ^a | | | | |
|-------|-------------|-----------------------------|------------|---------------------------|-------|------|
| | | Unstandardized Coefficients | | Standardized Coefficients | | |
| Model | | B | Std. Error | Beta | t | Sig. |
| 1 | (Constant) | 5,450 | 5,554 | | ,981 | ,329 |
| | Brand Image | ,279 | ,163 | ,186 | 1,712 | ,090 |
| | Price | ,254 | ,120 | ,198 | 2,117 | ,037 |
| | Location | ,757 | ,149 | ,469 | 5,097 | ,000 |

a. Dependent Variable: Purchase Decision

Source: SPSS Calculation Results Version 22, 2023

From the table above, a multiple linear regression equation model can be prepared based on column B. The multiple linear regression equation model of the research results is as follows:

$$Y = 5.450 + (0.279 X_1) + (0.254 X_2) + (0.757 X_3)$$

Notes:

- The constant value of $a = 5.450$ means that if Brand Image (X_1), Price (X_2), and Location (X_3) exist, the Purchase decision (Y) is positive.
- The Brand Image (X_1) regression coefficient value of $b_1 = 0.279$ shows that Brand Image (X_1) has an effect on Purchasing Decisions (Y) in a positive direction.
- The regression coefficient value of Price (X_2) of $b_2 = 0.254$ indicates that Price (X_2) has an effect on Purchasing Decisions (Y) in a positive direction.
- The Location (X_3) regression coefficient value of $b_3 = 0.757$ indicates that Location (X_3) has an effect on Purchasing Decisions (Y) with a positive direction.

Determination Coefficient Test

The coefficient of determination (R^2) is basically used to measure how much the variation of the independent variable is able to explain the variance of the dependent variable. The purpose of the test for the coefficient of determination (R^2) is to measure how far the model's ability to explain the variation in the dependent variable. The value of the coefficient of determination (R^2) is between zero and one. A small value (R^2) means that the ability of the independent variables to explain the dependent variable is very limited. A value (R^2) that is close to one means that the independent variables provide the information needed to predict the variation of the dependent variable. The following is the result of the coefficient of determination (R^2).

Table 3. Determination coefficient test results

| Model Summary | | | | |
|---------------|-------------------|----------|-------------------|----------------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | ,743 ^a | ,552 | ,538 | 5,073 |

a. Predictors: (Constant), Location, Price, Brand Image

Source: SPSS Calculation Results Version 22, 2023

The well-adjusted R square value is 0.538. Thus the independent variables are able to explain the dependent variable, namely the purchase decision partially by 53.8%, while the remaining 46.2% is influenced by other aspects not included in the research model.

Hypothesis testing

Before drawing conclusions about the effect of each independent variable on the dependent variable, it is necessary to test the hypothesis to prove statistically whether there is a significant effect of the independent variables on the dependent variables. Hypothesis testing is carried out in two stages, namely partial testing and simultaneous testing.

Partial Hypothesis Test

The t test was conducted to find out whether the independent variable partially has a significant effect on the dependent variable. The t test is carried out by comparing the probability value with the significant level value. If the value of Sig. < 0.05 then Ha is accepted and if the Sig. > 0.05 then Ha is rejected. It is known that the number of samples studied (n) = 87, significant level (α) = 0.05 and degrees of freedom (degree of freedom) df = nk = 87-3-1 = 96. Using the t distribution table and a significance level of 0.05, a ttable value of 1,984.

Table 4. t Test results (Partial) Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized | t | Sig. |
|-------|-------------|-----------------------------|------------|--------------|-------|------|
| | | B | Std. Error | Coefficients | | |
| 1 | (Constant) | 5,450 | 5,554 | | ,981 | ,329 |
| | Brand Image | ,279 | ,163 | ,186 | 1,712 | ,090 |
| | Harga | ,254 | ,120 | ,198 | 2,117 | ,037 |
| | Lokasi | ,757 | ,149 | ,469 | 5,097 | ,000 |

a. Dependent Variable: Purchase Decision

CONCLUSION

The purpose of this study was conducted in order to determine whether there is an influence that occurs on brand image, price, and location on product purchasing decisions on J.Co Donuts products. Using SPSS version 22 software to test whether there is a relationship between variables. It can be seen in the formulation of the problems previously described, the results of the analysis that has been carried out, the following can be concluded: Based on all regression results, the effect of brand image on purchasing decisions has a T value of 1.712 < T table 1.984 and has a significant value > 0.05 so that it has a negative effect on brand image and is not significant on purchasing

decisions. The effect of price on purchasing decisions has a T value of 2.117 > T table 1.984 and has a significant value > 0.05, which means that there is a significant positive effect on the relationship between price and purchasing decisions. The effect of location on purchasing decisions has a T value of 5,097 > T table 1,984 and has a significant value < 0.05, which means that there is no significant effect on the relationship between price and purchasing decisions. Based on the direct experience of researchers in this research process, there are still many shortcomings, so there is a need for repairs and completeness that can make this research more perfect for further research. There as follows: Further researchers are expected to use other variables in order to further develop research and find out more about the results of what variables are more influential on purchasing decisions. For further researchers, it is hoped that they can try to use a wider population and still be related to brand image, price, and location to purchasing decisions.

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