



Effect of Perceived Price and Brand Image on Purchase Decision through Customer Satisfaction, a Study on Azarine Buyers in Malang City

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Abstract

This study aims to analyze the effect of perceived price and brand image on purchase decision through customer satisfaction with the subject of Azarine skincare buyers in Malang city as respondents. This type of research is quantitative using Path analysis research method using structural equation modeling method with SmartPLS 4.0. Data sample of 270 questionnaires was obtained. Based on the results of the study, it can be concluded that perceived price has a significant positive effect on purchase decision; brand image has no effect on purchase decision; customer satisfaction has a significant positive effect on purchase decision; perceived price has a significant positive effect on customer satisfaction; brand image has a significant positive effect on customer satisfaction; perceived price has an indirect effect on purchase decision through customer satisfaction; brand image has an indirect effect on purchase decision through customer satisfaction. Based on the results of the analysis, the researcher makes suggestions for the azarine skincare brand to expand marketing to various platforms other than Instagram. This will also increase customer satisfaction with the azarine brand itself.

Keywords: Perceived Price; Brand Image; Purchase Decision; Customer Satisfaction.

Introduction

The cosmetics industry means an industry that produces cosmetics that has a business license or registration mark in accordance with applicable laws and regulations in Indonesia. The cosmetics industry, as explained above, has the authority to produce cosmetics to care for the external body parts, one of which is skincare. The cosmetics industry is experiencing rapid development, indicated by the number of local skincare brands that launch products to meet consumer demand related to beauty & care lines. The cosmetics industry is categorized as a small and medium-sized industry. There are 5 categories that fall under the auspices of the Food

and Drug Administration of the Republic of Indonesia, namely drugs, traditional medicines, dietary supplements, food & beverages and finally cosmetics.

Consumers carry out the process of making purchasing decisions, there are definitely several things to consider. This is in line with the researcher's reasons for taking this topic. There are internal factors and external factors in making this purchase decision. Decision making or commonly called a purchase decision is a conscious act of a person to buy or own the desired goods or services. This decision can be influenced by marketers by providing information about their products or services that can inform the consumer judgment process in consumers in Schiffman and Kanuk (2007).

Malang is a city that is often referred to as the city of education. The term comes from the large number of universities in the city of Malang. There are many offline stores that sell cosmetic category goods, for example, Aster, Raya shop, Ratu shop and many others. This is a sign that interest in the cosmetics industry, especially skincare, is relatively high. Not only offline, many of these stores also serve online sales.

The novelty of this research is the additional variable of customer satisfaction. These additional variables, when combined with the price and brand image variables, are thought to have an effect on purchase decisions for consumers of azarine skincare products in Malang city in particular.

Literature Review

Perceived Price and Purchase Decision. Numerous studies have examined the role of perceived price in influencing consumer behavior. Consumers tend to associate higher prices with higher quality, and lower prices may signal a product of inferior quality. However, the perception of price-value trade-off can differ among individuals and is influenced by various factors such as income, cultural background, and social norms. It is crucial to assess how perceived price impacts purchase decisions, particularly in the context of Azarine beauty products.

Brand Image and Purchase Decision. Brand image is the collective perception consumers hold about a brand and plays a pivotal role in shaping purchase decisions. A strong, positive brand image can lead to increased customer loyalty, preference, and willingness to pay premium prices. On the other hand, a negative brand image may deter potential customers and adversely affect purchase intentions. Exploring the specific dimensions of brand image that resonate with Azarine buyers in Malang City can provide actionable insights for brand management.

Customer Satisfaction and Its Mediating Role. Customer satisfaction is a critical outcome of the purchase experience and acts as a mediator between perceived price, brand image, and purchase decisions. Satisfied customers are more likely to become loyal patrons, advocate for the brand, and provide positive word-of-mouth. Understanding the mediating effect of customer satisfaction can unveil the mechanism through which perceived price and brand image translate into purchase decisions.

Research Gap and Objectives. Despite the growing body of literature on consumer behavior, there is a scarcity of research specifically addressing the interplay of perceived price, brand image, and customer satisfaction in the context of Azarine beauty products. The primary objectives of this study are to identify the factors influencing purchase decisions among Azarine buyers, assess the impact of perceived price and brand image on customer satisfaction, and understand the mediating role of customer satisfaction in the purchase decision process.

Research Method

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This type of research is quantitative because the data collected are numbers obtained from this type of research is quantitative because the data collected are numbers obtained from questionnaires. Quantitative research has an inductive deductive approach in the preparation of theoretical ideas, how to pose problems, compile the opinions of experts and how to present research results. Population is the total level of elements that will make a generalization area, Sugiyono in Ningrum (2018). The population in this study are all followers on the Azarinecosmeticsofficial Instagram account and have made purchases. Buyers of azarine consumers who live in the city of Malang with a target age of 18-44 years. To avoid questionnaires not returning or filling in questionnaires that are not suitable, the number of respondents was increased by 10% to 270 respondents.

In this study, the data used are primary data and secondary data. Based on the sample criteria used by researchers, namely through questionnaires to followers who have made purchases of 2x for azarine products. Secondary data is obtained by researchers indirectly through journals and books that are in accordance with the variables to be studied (Price, brand image, customer satisfaction and purchase decision). This type of quantitative data is obtained by researchers from the results of questionnaires that are suitable for the research.

According to Sugiyono (2015), descriptive statistics are statistics that function to analyze data by describing or describing the object under study through sample data or research populations, without analyzing and making generally applicable conclusions. This descriptive analysis is carried out to analyze the length of the interval class so that researchers can more easily classify data for each variable. In this study, the calculation of PLS-SEM analysis used SmartPLS 4.0.0

Result/Findings

Table 1. Testing Hypothesis Result

Hypotesis	Path Coefficient	Indirrect Coefficient	T Statistic (Io/Stdevi)	P Values	Conclusion
Perceived price -> purchase decision	0.262	-	3.396	0.000	H1 Supported
Brand Image -> purchase decision	0.184	-	1.911	0.056	H2 Reject
Customer satisfaction -> purchase decision	0.491	-	7.600	0.000	H3 Supported
Perceived price -> customer satisfaction	0.369	-	4.623	0.000	H4 Supported
Brand image -> customer satisfaction	0.503	-	6.368	0.000	H5 Supported
Perceived price -> customer satisfaction -> purchase decision	-	0.181	5.105	0.000	H6 Supported
Brand image -> customer satisfaction -> purchase decision	-	0.247	3.890	0.000	H7 Supported

Source: Processed by researcher 2023

H1: Hypothesis testing was carried out on the direct effect of the perceived price variable on purchase decision with a path coefficient of 0.262 with a p value of $0.000 < 0.05$. It can be concluded from the results of hypothesis testing above that there is a positive and significant effect on the perceived price variable on purchase decision.

H2 : Test the second hypothesis to determine the influence relationship between brand image on purchase decision. In the calculation results above, the path coefficient is 0.184 with a p value of 0.056, which means that there is no influence between brand image on purchase decision.

H3 : Test the third hypothesis to determine the influence relationship between customer satisfaction on purchase decision. The results of the calculation of the path coefficient are 0.491 with a p value of 0.000, which means that there is a positive and significant influence between customer satisfaction on purchase decision.

H4 : Test the fourth hypothesis to determine the relationship between perceived price on customer satisfaction. The results of the above calculations, the path coefficient is 0.369 with a p value of 0.000, which means that there is a positive and significant influence between perceived price on customer satisfaction.

H5 : The fifth hypothesis test is to determine the relationship between brand image and customer satisfaction. The results of the above calculations, the path coefficient is 0.503 with a p value of 0.000, meaning that there is a positive and significant influence relationship between brand image on customer satisfaction.

H6 : Test the sixth hypothesis to determine the effect of the indirect relationship of perceived price on purchase decision through customer satisfaction. The results of the above calculation of the path coefficient of 0.181 with a p value of 0.000 mean that there is a positive and significant effect of perceived price on purchase decision through customer satisfaction. It can be interpreted that the higher the value of customer satisfaction affects the perceived price for purchase decision.

H7 : Test the seventh hypothesis to determine the effect of the indirect relationship of brand image on purchase decision through customer satisfaction. The results of the above calculation of the path coefficient of 0.247 with a p value of 0.000 mean that there is a positive and significant effect of brand image on purchase decision through customer satisfaction. It can be interpreted that the higher the value of customer satisfaction affects the brand image for purchase decision.

The Effect of Price Perception on Purchasing Decisions: In the context of this study, price perceptions reflect how buyers of Azarine products in Malang City assess product prices. Previous research has shown that price perception can influence purchasing decisions. If consumers feel that the price of the product is in accordance with the quality and benefits provided, they are more likely to buy the product. However, if consumers feel that the price is too high or not worth the value they receive, then they may be reluctant to make a purchase.

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Therefore, it is important for Azarine to understand consumers' price perceptions and devise appropriate pricing strategies to increase purchase intentions.

The Effect of Brand Image on Purchasing Decisions: Brand image is an important factor in influencing consumer purchasing decisions. In this research, we will study how Azarine buyers in Malang City perceive Azarine's brand image. If Azarine's brand image is positive, for example, associated with good product quality, satisfactory customer service, and positive brand value, then consumers tend to trust more and are more likely to choose Azarine products over other brands. Conversely, a negative brand image may inhibit purchase intention. Therefore, Azarine's brand management should work hard to reinforce a positive brand image in order to increase purchase decisions and build customer loyalty.

The Role of Customer Satisfaction as a Mediator: Customer satisfaction is a result of the purchase experience and can act as a link between price perception, brand image, and purchase decisions. If consumers are satisfied with Azarine products and services provided, they are more likely to repurchase Azarine products and recommend them to others. Customer satisfaction can be the key to strengthening the relationship between positive price perception, good brand image, and purchase intention. Therefore, strategies that focus on improving customer satisfaction can increase the effectiveness of marketing campaigns and increase brand loyalty.

Implications and Recommendations: From the results of this theoretical study, Azarine can draw some strategic implications and recommendations to improve purchasing decisions and customer satisfaction in Malang City. Some steps that can be taken are:

- a. **Prudent Pricing:** Azarine must understand the price perceptions of consumers in Malang City and set prices that are reasonable and comparable to the benefits and quality of the products offered.
- b. **Improving Brand Image:** Azarine should invest in strengthening its brand image by emphasizing product quality, good customer service, and positive brand value.
- c. **Increased Customer Satisfaction:** Azarine should ensure that the products and services provided match consumer expectations and strive to continuously improve customer satisfaction through feedback collection and complaint management.
- d. **Customer Loyalty Programs:** Implementing loyalty and incentive programs for loyal customers can help increase customer retention and strengthen brand loyalty.
- e. **Experiential Marketing Campaigns:** Building marketing campaigns that focus on the customer experience can help create an emotional bond with the brand and positively influence purchase decisions.
- f. **Monitoring and Evaluating Results:** Azarine should regularly monitor the effectiveness of marketing strategies and record customer satisfaction levels as well as purchase intentions to identify areas that require improvement.

Conclusion

By exploring the relationship between perceived price, brand image, customer satisfaction, and purchase decisions among Azarine buyers in Malang City, this study aims to contribute to the existing literature on consumer behavior and provide actionable recommendations for businesses in the beauty industry to remain competitive and successful. The results of this study are that there is an influence between the variables of perceived price, brand image on purchase decision through customer satisfaction. except the second hypothesis is rejected because there is no influence between brand image on purchase decision in this study. Advice for azarinecosmetic for Based on the results of the analysis, the researcher makes suggestions for the azarine skincare brand to expand marketing to various platforms other than Instagram. This will also increase customer satisfaction with the azarine brand itself.

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