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Investigation Purchase Decision Through Brand Trust, Brand Image. Price. Quality of Product: A perspective Service Dominant Logic Theory

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Abstract

Logically, service dominant logic tends to be more integrative than goods dominant logic. This is related to the basic proposition related to co-creation which involves active customer involvement and interaction with suppliers in every aspect of product consumption and product design. This study aimed to analyze the factors that might affect the purchasing decision of Hotpot Haidilao restaurant. This study used five variables which are brand trust, brand image, price, quality of product, purchase decision. The phenomenon of the growing food service business in the city Jakarta, which also influences consumer purchasing decisions, especially on the selection of a place to eat is the background of this study. In specifically, this research was conducted by developing a model for analyze consumer purchasing decisions for food products and drinks at the restaurant. The sampling technique used convenience sampling with 300 respondents. Data collection techniques using googleform. The data analysis technique used is PLS-SEM. The results of the analysis conclude the purchase decision of Hotpot Haidilao restaurant was affected by brand image, brand trust, quality of product and price

Keywords: brand trust, brand image, price, quality of product, purchase decision

INTRODUCTION

At this time the level of business competition is so tight that it can even be said that companies both in the food sector and in other fields are trying their best to survive in the business world. Especially for companies that are engaged in the distribution sector or become a sole distributor or sub-distributor.

There are only two words to be in a successful or unsuccessful business. It can be said that it can work if the company has increased its profit. Conversely, it can be said that it is not successful if the company experiences a decrease in profit.

Even a big name company cannot guarantee that it will easily gain the trust of business partners and customers. Business

partners and customers will prefer to choose a company that is committed and cooperative than a company that does not care about criticism and suggestions from customers or business partners. Business partners or customers are one of the most important factors in the business world to be able to get the trust of others. Understanding consumer needs and the buying process is the basis for successful marketing because thus companies can develop effective strategies to support attractive offers for target markets Business development in the 21st century has grown very rapidly and undergo continuous metamorphosis. Every business actor in each Business category is required to have sensitivity to any changes occurs and puts orientation to customer satisfaction as the goal major (Kotler & Armstrong, 2017). No exception in the business of serving food and drinks (food service) starting from a small scale such as stalls and tent cafe; medium-scale food businesses such as depots, restaurants and cafe; to large-scale food businesses such as restaurants in a star hotel. According to the International Culinary Tourism Association Tourism Association / ICTA), culinary tourism is an activity to eat and unique drinking is done by every traveling traveler. Hotpot Haidilao is a restaurant that provides a variety of menus, flavors and quality services. The comfortable atmosphere of the room is used as a place to gather and relax with friends and family or simply to release fatigue from daily routines. The Haidilao Hotpot is a gathering place for young people and a habit of gathering are two things that have stuck. This trend is growing rapidly with the existence of restaurants with the all you can eat method. The rise of restaurants and particularly Hotpot Haidilao in Jakarta has resulted in Hotpot Haidilao becoming a place for social interaction and the

lifestyle of young people today. Hotpot Haidilao not only functions as a place to enjoy drinks and food, but has become a gathering place, socializing, entertainment, productivity, and business activities that are regularly carried out both individually and in groups. Studies have been carried out by several researchers such as (Adiwidjaja, 2017; Astuti, 2014) regarding product brand on purchasing decisions. In modern times, especially with the onset of the economic crisis, pricing is one of the main activities of every company. Companies must remember that price is an element that surrounds any person or legal entity, depending on the type of role that person plays, and that prices are always related to their customers. This price is included in each segment of the company. This is not only important when selling a product or service; it is present in every phase of the company's life. Also, it is important to note that price can be seen as a means of differentiation, and often for the customer price can be the only reason to purchase certain products (Hustić & Gregurec, 2015) The service-dominant logic has developed into a key perspective in marketing research since its introduction in 2004 (Vargo and Lusch, 2016). In the service field, service-dominant logic, service logic, and customer dominant logic in particular have emerged as service perspectives (Grönroos and Gummerus, 2014; Heinonen et al., 2010; Lusch and Vargo, 2014). This study aimed to analyze the factors that might affect the purchasing decision of *Hotpot Haidilao* restaurant.

Brand image is a set of associations that consumers perceive to a particular brand, which is known as a brand association, the three indicators of brand image associated with a brand association are as follows: (Kotler & Keller, 2016)

a Strength of brand associations

Strength of association relies on information about the brand in public memory and how to maintain it as part of the product's advertised brand image. Strength has the following sub-indicators:

1. Personal relevance (relationship or attachment) means that people will find it easier to grow an image in their minds when they see a new marketing program because they already have extensive knowledge and are related to the brand before.

2. Consistency (consistent / not changing) means that the message conveyed to the community through marketing programs is always consistent.

b. Favorability of brand associations

Favorable brand associations are created by convincing people that a brand can have relevant benefits and can fulfill their needs and desires so as to form a positive brand attitude towards them.

Favorable has the following sub-indicators:

1. Desirable means the extent to which the product brand carried by the marketing communication program can meet the expectations / desires of the target audience.

2. Deliverable (can be delivered) depends on information about the brand can be conveyed properly to the public.

c. Uniqueness of brand associations

Unique brand associations are a level of brand uniqueness that have continuous and competitive benefits that can cause target audiences to be attracted to use them.

Unique has the following sub-indicators:

1. Point of difference (the element of differentiation) means the extent to which the product brand associations brought by the marketing communication program have a distinguishing element (considered unique, held firmly, and evaluated properly by the community)

when compared to brand associations other products.

According to (Schiffman and Kanuk, 2015) Brand image is a set of associations about a brand that is stored in the mind or memory of consumers

Therefore, it is hypothesized: brand image has a significant direct impact on purchase decision.

Customer trust in a brand (brand trust) is defined as a customer's desire to rely on a brand with the risks faced because the expectations of the brand will lead to positive results (Muhammad Rizan et al., 2012) According to (Kustini, 2011) brand trust can be measured through viability and intentionality.

1. Viability Represents a perception that a brand can meet and satisfy consumer needs and values. Viability can be measured through the sub-indicators of satisfaction and value 2. Intentionality Reflects the feeling of security of an individual against a brand. Intentionality can be measured through the security and trust sub-indicators.

Therefore, it is hypothesized: brand trust has a significant direct impact on purchase decision.

The price according to (Kotler & Armstrong, 2017) is the amount of money spent on a product or service which is the value that consumers exchange for the benefits of owning the product or service. Price is one of the determinants of consumers in determining a purchase decision for a product or service. Price is the total value exchanged for the benefit of ownership of a product or service. Price is considered as one of the factors that can influence purchasing decisions.

Price is one of the most important parts in marketing a product because price is one of the four marketing mixes (4P = Product, price, place, promotion). Price is the exchange rate of goods and services which is expressed in monetary units. (Riggs, 2011) Price is one of the determinants of a company's success because price determines how much profit the company

will get from selling its products (Renneberg and Spaenjers, 2013) Setting a price that is too high will cause sales to decrease, but if the price is also low it will reduce the profit that can be obtained by the company / organization

Therefore, it is hypothesized: price has a significant direct impact on purchase decision.

Product quality is a consumer's assessment of excellence or the privilege of a product (Tjiptono, 2014). Product quality is a potential strategic weapon to beat competitors. The ability of product quality to perform various functions including durability, reliability, accuracy and ease of use (Kotler & Armstrong, 2017; Schiffman et al., 2012). Quality has been described and in various ways defined as value, conformance to specifications, conformance with requirements, suitability for use, avoidance of loss, and meeting and / or exceeding customer expectations. Quality provides the basis for strategic advantage, and thus improving product quality should lead to increased performance. How product quality contributes to quality performance is one of particular interest for organizations trying to evaluate the efficiency of their product quality programs (Dunk, 2002; Jakpar et al., 2012; Avakh Darestani et al, 2010) suggest several elements that can measure a product's quality, namely durability, comfort, reliability, and ease of maintenance.

Therefore, it is hypothesized : quality of product has a significant direct impact on purchase decision.

A decision can be made if several alternatives are selected. According to (Kotler and Keller, 2016) the purchase decision process includes five stages carried out by a consumer before arriving at a purchase decision and then post-purchase. Purchasing decisions made by consumers can occur if consumers have received services from service provision and after that consumers feel satisfaction and

dissatisfaction, therefore the concept of purchasing decisions cannot be separated from the concept of customer satisfaction.

Research conducted by (Amron, 2018) states that brand image, brand trust, product quality and price have a positive and significant effect on purchasing decisions for MPV car products.

Research conducted by (Reven & Ferdinand, 2017) resulted in product design and product quality having a positive and significant effect on brand image and brand image and competitive prices have a positive and significant effect on purchasing decisions.

The study according to (Astuti, 2014) states that product quality and price do not have a significant effect on purchasing decisions, but service quality variables have a significant effect on purchasing decisions. A study according to (Mohammad Rizan et al., 2012) there is a significant influence from brand image and product quality toward purchase decision. Studies according to (Adiwidjaja, 2017) brand image and brand trust have a positive and significant effect on purchasing decisions.

Studies according to (Hafilah, Endah and Chaer, Vira and Usman, 2019) that price has a significant effect on purchasing decisions, brand ambassadors have a significant effect on purchasing decisions, product quality has a significant effect on purchasing decisions, prices have a significant effect on purchasing decisions. Studies according to (Suhaily & Darmoyo, 2017) product quality and price perception have a positive and significant effect on purchasing decisions; product quality, brand image and price perception have a positive and significant effect on trust

consumer; consumer confidence has a positive and significant effect on purchasing decisions; brand image has no effect on purchasing decisions; product quality, price perception, and brand image are mediated by consumer

confidence in Japanese branded electronic products.

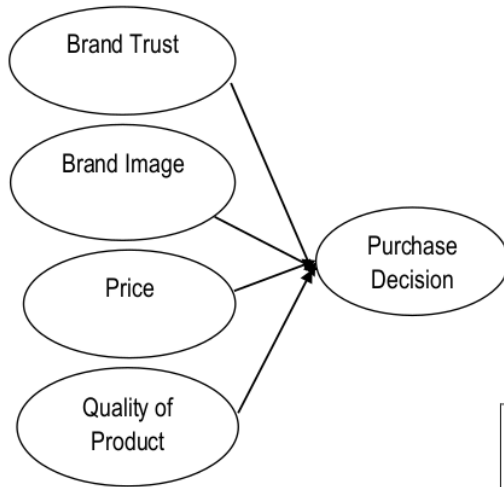


Figure 1 : Conceptual Framework
 Source : (Amron, 2018; Hustić & Gregurec, 2015; Reven & Ferdinand, 2017; Saragih & Surya, 2018)

METHOD

This research was conducted in Jakarta with a population of all customer hotspot haidilao restaurant. The questionnaire was distributed via an online form. The sample in this study amounted to 300 respondents. The data collection instrument used a Likert scale of 1 to 7. This type of research is a quantitative study. According to (Hair, 2015) the sample size cannot be analyzed for factors if the number is less than 50, the sample must be 100 or more, as a rule of thumb, the minimum sample size is at least five times and it would be more acceptable if the number of samples was ten. times the number of indicators to be examined and analyzed so that the total sample is 300 respondents. The samples were determined using convenience sampling technique. Analysis of the data obtained in this study will use PLS-SEM. In data analysis and structural equation modeling using PLS software includes designing an outer model which includes loading indicators, Cronbach alpha and composite reliability, AVE, designing

inner models including inner VIF Value, R², F² and Q² and Q² predict, Hypothesis significance test. , indirect effect, IPMA.(Hair et al., 2019)

Methods include research design, population and sample, development of research instruments, data collection techniques, and data analysis techniques, described briefly.

RESULT and DICUSSION

The criteria of outer loading according to (Hair et al., 2019) ≥0.708

Table 1. Outer Loading

Laten Variable	Indicator	Outer Loading	Result
Brand Image	BRI 1	0.865	Reliable
	BRI 2	0.813	Reliable
	BRI 3	0.855	Reliable
	BRI 4	0.876	Reliable
	BRI 5	0.857	Reliable
Brand Trust	BRT 1	0.744	Reliable
	BRT 2	0.786	Reliable
	BRT 3	0.774	Reliable
	BRT 4	0.707	Reliable
	BRT 5	0.712	Reliable
Price	PRC 1	0.702	Reliable
	PRC 2	0.778	Reliable
	PRC 3	0.766	Reliable
	PRC 4	0.757	Reliable
	PRC 5	0.784	Reliable

Purchase Decision	PRD 1	0.799	Reliable
	PRD 2	0.756	Reliable
	PRD 3	0.744	Reliable
	PRD 4	0.726	Reliable
	PRD 5	0.796	Reliable
Quality of Product	QOP 1	0.774	Reliable
	QOP 2	0.941	Reliable
	QOP 3	0.900	Reliable
	QOP 4	0.874	Reliable
	QOP 5	0.875	Reliable

Source : Processed Data PLS (2021)

Construct Reliability Cronbach Alpha & Composite Reliability

The criteria of Cronbach Alpha lower bound > 0.7, Composite Reliability upper bound < 0.95 and ideally 0.7-0.9 (Hair et al., 2019)

Table 2. Construct Reliability

Laten Variable	Cronbach's Alpha	Composite Reliability	Result
Brand Image	0.762	0.760	Reliable
Brand Trust	0.789	0.853	Reliable
Price	0.731	0.724	Reliable
Purchase Decision	0.748	0.832	Reliable
Quality of	0.779	0.782	Reliable

Product			
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Source : Processed Data PLS (2021)

Average Variance Extracted (AVE)

The results show that every construct meets the convergent validity conditions $AVE \geq 0.5$

Table 3. Average Variance Extracted

Laten Variable	Average Variance Extracted (AVE)	Result
Brand Image	0.724	Valid
Brand Trust	0.538	Valid
Price	0.660	Valid
Purchase Decision	0.699	Valid
Quality of Product	0.603	Valid

Source : Processed Data PLS (2021)

Discriminant Validity (Matrics Fornell Lacker)

The results show that the indicators are discriminated against well, For conceptually similar constructs: $HTMT < 0,90$. $>0,9$ indicate Discriminant Validity problem (Henseler et al., 2015)

Table 4. Discriminant Validity (Matrics Fornell Lacker) HTMT Ratio

Laten Variable	Brand Image	Brand Trust	Price	Purchase Decision	Quality of Product
Brand Image	0.473				

Brand Trust	0.046	0.733			
Price	0.166	0.525	0.600		
Purchase Decision	0.105	0.341	0.276	0.706	
Quality of Product	0.102	0.254	0.264	0.474	0.635

Source : Processed Data PLS (2021)

Inner Model Bootstrapping

The bootstrapping analysis allows for the statistical testing of the hypothesis that a coefficient equals zero (null hypothesis) as opposed to the alternative hypothesis that the coefficient does not equal zero (two-tailed test). The criterion of variance inflation factor <3 ideal, 3-5 suggested, >5 problem.

Table 5. Variance Inflation Factor (VIF)

Latent Variable	Purchase Decision
Brand Image	1.007
Brand Trust	1.082
Price	1.089
Quality of Product	1.160

Source : Processed Data PLS (2021)

Table 6. R Square (R²)

Latent Variable	R Square	R Square Adjusted
Purchase Decision	.322	.313

Source : Processed Data PLS (2021)

The R² values 0.25 = weak, R² values 0.50 = moderate, R² values 0.75= substantial (Chin, 2010). The results show that R Square values 0.322 = weak.

Table 7. Q -Square (Q²)

Latent Variable	Q Square

Purchase Decision 0.260

Source : Processed Data PLS (2021)

The criterion of Q Square >0.25 = low predictive, 0.25-0.50 = medium predictive, 0.50 = large predictive (Hair et al., 2019; Shmueli et al., 2016)

The result showed that medium predictive because the Q Square result 0.260

Table 8. Hypothesis Testing

Hypotesis	Path Analysis	Standardized Coefficient	T Statistic	Result
H1	Brand Image → Purchase Decision	0.068	6.977	Supported
H2	Price → Purchase Decision	0.050	3.870	Supported
H3	Brand Trust → Purchase Decision	0.049	5.066	Supported
H4	Quality of Product → Purchase Decision	0.052	6.924	Supported

Source : Processed Data PLS (2021)

CONCLUSION

The results showed that simultaneously all dependent variables were able to explain the purchase decision variable well.

Hypothesis 1 brand trust has a significant effect on purchase decision, it can be concluded that Ho is rejected and H1 is accepted. These results are consistent with the findings (Adiwidjaja, 2017) which found that brand trust has a significant and positive effect on purchasing decisions

Hypothesis 2 brand image has a significant effect on purchase decision, it can be concluded that Ho is accepted, and H1 is rejected. These results are in line with findings (Suhaily & Darmoyo, 2017). Hypothesis 3, price has a significant effect on purchase decision, it can be concluded that Ho is rejected and H1 is accepted. These results are consistent with the findings (Hafilah, Endah and Chaer, Vira and Usman, 2019) (Rommy et al., 2018) that price has a positive and significant effect on purchase decisions. Hypothesis 4 that product quality has a significant effect on purchase decisions, it can be concluded that Ho is rejected and H1 is accepted. This result is consistent with the findings (Amron, 2018; Hafilah, Endah and Chaer, Vira and Usman, 2019; Reven & Ferdinand, 2017; Suhaily & Darmoyo, 2017). As with any investigation, this study has some limitations that respondents were only limited in Jakarta domicile. The questionnaire is distributed online and self reported so it is difficult to confirm the quality of the results from the questionnaire.

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