The Effect of Product and Brand Image on Purchasing Decisions for Chili Sauce Products ABC Brand Instan in Kediri City

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ABSTRACT: The majority of the population in Indonesia works in the agricultural sector because Indonesia has quite fertile land that can improve the economy in Indonesia throught the agricultural sector. The purpose of this study was to determine the effect of product quality and brand image on purchasing decisions for ABC brand instant chili sauce products in Kediri City. The sampling technique in this study is non-probability using purposive sampling technique, so that the number of samples needed is 108 respondents. The research method used in this research is quantitative. The data analysis technique in this study uses Part Least Square (PLS). The results of this study indicate that product quality and brand image have a significant (positive) influence on purchasing decisions for ABC brand instant chili sauce products in Kediri City.

KEYWORDS: Product Quality; Brand Image; Purchase Decision.

INTRODUCTION

Indonesia is an agrarian country or a country where the majority of the population works in the agricultural sector. This is because Indonesia has quite fertile soil because it contains a lot of minerals or soil nutrients that make various types of plants grow and develop well, one of it is chili. So that the agricultural sector can help improve the economy in Indonesia. In addition, Indonesia is also one of the countries where the majority of the population is a lover of spicy food. This is because the Indonesian tongue is accustomed or familiar with spicy cuisine. There are many preparations or culinary specialties of Indonesia that are famous for their spiciness for example, dendeng balado, sambal matah and seblak.

The increasingly busy activities of people in Indonesia have made consumers need an instant, fast and practical food product. By looking at the situation environment, both from teenagers, young people and even adults who like spicy dishes. One of the instant processed products that is often used in daily needs as a companion or mixture of dishes derived from chili is chili sauce.

Currently, chili sauce products have considerable market potential. One of them is instant chili sauce which has packaged. Because chili sauce in packaging is considered more practicalor easy to find and easy to carry when travelling. With the existence of considerable market potential, it causes competition between instant chili sauce companies. So that many companies create and develop processed instant chili sauce products.

Based on Top Brand data, it provides brand comparison results, one of the diamond chili sauces that has continued to decline from 2019 to 2022 is the ABC brand instant chili sauce. Starting from 2019, the ABC brand instant chili sauce obtained 65.80%, then in 2020 it decreased by 61.00%, in 2021 it decreased again by obtaining 59.10%, in 2022 there was a decrease again to 57.30%, until in 2023 there was still a decrease of 53.20%.

According to pre-survey data conducted by researchers in Kediri City, it is suspected that the cause of the decline in ABC brand instant chili sauce products is product quality and brand image on purchasing decisions. Product quality is something that can be offered to the market with the aim that the product is noticed, owned, used and consumed by consumers to meet their daily needs. Product quality is also important in developing a business. With the quality of the products offered by the company, consumers expect instant chili sauce products in packaging that suits the needs of consumers.

In addition to product quality, brand image is also suspected to be the cause of the decline in ABC brand instant chili sauce products. A brand is a symbol or design that is used to identify a product, besides that brands are used to help consumers or customers recognize the products offered by a company. Therefore, the brand image according to (Islamiyah and Soebiantoro 2022) is able to influence consumers to decide on a purchase. This happens because of the perception of consumers in buying

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products. If the brand image in a company already has a good name and view in the minds of consumers, it will get positive value in the future.

Based on the description of the phenomenon related to the decline in ABC instant chili sauce products, research is needed on the effect of product quality and brand image on purchasing decisions for instant chili sauce products in Kediri City.

LITERATURE REVIEW

Product Quality

Product quality is one of the things that is quite important for companies to pay attention to, because product quality is one of the main things to increase competitiveness and provide satisfaction to consumers (Santoso et al. 2019). According to Razak in (Anam et al. 2020) product quality is a characteristic of a product, where product quality can contribute to the ability to fulfill demand.

Meanwhile, according to (Magdalena and Winardi 2020), product quality is one of the factors that can influence purchasing decisions by offering or improving product quality in accordance with what customers or consumers expect. In addition, Riyono in (Riana Fatmaningrum et al. 2020) says that product quality is something that can be offered to the market to get attention, buy, consume or use and can meet consumer needs.

From the above understanding, it can be concluded that product quality is a form of effort or ability of a product to continue to develop in order to provide good function and long durability, and continue to make improvements to meet the wants and needs of consumers to feel satisfied so that these products are able to compete with other products.

Brand Image

Brand image is something that can help companies to expand product lines and develop a specific market position for a product. In addition, brand image is defined as an image of a product in the minds of consumers (Siregar 2019). Mulyono in (Anam et al. 2020) says that brand image is an asset and liability, because brand image can increase or decrease value with the availability of products or services to consumers. With the attributes and benefits provided by a company's brand image, the characteristics that have been attached to a brand will be different from other competitors.

Meanwhile, according to (Ade Irawan 2021) brand image is one of the important things for companies, this is because brands give identity to the products that will be sold by a company. In addition, according to (Rahmawati and Fitriyah 2022) argue that brand image is used as a consumer information center to obtain information and assess how good or bad a product is.

Based on some of the above understanding, it can be concluded that brand image is one of the important things in a company, because with a brand image we can recognize the identity of a product. In addition, brand image is also one of the reasons for developing or improving a product brand. Where the brand image provided is good, it can be recognized by many people and vice versa, if the brand image of a product is bad, it will reduce the value of a product.

Purchase Decision

Purchasing decisions are part of consumer behavior, about how an individual, group or organization selects, buys, uses, and how goods and services, ideas or experiences satisfy their needs and wants (Ruliansyah 2020). According to Padmantyo in (Magdalena and Wilzarwan 2020) purchasing decisions are a concept where consumers decide to purchase certain products to obtain the benefits offered by a product from the company.

Meanwhile, according to Daulay in (Nurlaila 2021) that purchasing decisions are a problem-solving process consisting of analyzing or recognizing needs and wants, searching for information, evaluating sources of selection of alternative purchases, purchasing decisions, and behavior after making a purchase. In addition, brand image according to (Liswandany and Fitriyah 2022) is a stage where consumers have alternative choices in deciding whether or not to buy the product.

From the above understanding, it can be concluded that purchasing decisions are consumer behavior in processing or selecting from several existing options, becoming a decision to purchase a product that will be used or consumed.

Relationship between Product Quality and Purchasing Decisions

Product quality is something that can be offered to the market with the aim that the product is noticed, owned, used and consumed by customers to meet the needs of consumers (Setianingsih 2018). This means that product quality is the ability of a product to work according to needs such as product quality that is durable, reliable, easy to use, and other characteristics. In addition, product quality is expected to be able to meet customer needs with the aim of attracting the attention of consumers to use a product to increase purchasing decisions for that product. Thus, product quality is related to the decision to purchase the product offered.

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Hypothesis 1: Product quality is thought to have a positive effect on purchasing decisions for instant chili sauce brand ABC in Kediri City.

Relation between Brand Image and Purchasing Decision

Brand image is a perception and belief held by consumers, where the brand image will be embedded in the memory of consumers (Salsabila, Maskur, and Stikubank Semarang 2022). It can be interpreted that brand image is based on a consumer's thoughts and feelings towards a particular product. So that the brand image is said to be a symbol or identification that is remembered by consumers. Where if a product has a good brand image, consumers willmake purchasing decisions on that product. Thus, brand image is related to purchasingdecisions.

Hypothesis 2: Brand Image is thought to have a positive effect on Purchasing Decisions for instant chili sauce brand ABC in Kediri City.

RESEARCH METHODS

This research was conducted in Kediri City. The population determined in this study were consumers of instant chili sauce brand ABC who live in Kediri City. The sampling technique in this study is non probability using purposive sampling technique, by distributing questionnaires using google form so that the number of samples needed is 108 respondents. The scoring technique used to measure indicators on this research questionnaire is a Likert scale of 1-5. In this study, the data analysis technique used was Part Least Square (PLS).

RESEARCH RESULT AND DISCUSSION

The questionnaire used as a data collection method consists of several statements foreach indicator of Product Quality (X1), Brand Image (X2), and Purchasing Decisions (Y). The questionnaire that has been made will be distributed to respondents, namely consumers ofinstant chili sauce brand ABC who live in Kediri City. Through the distribution ofquestionnaires made by researchers, obtained the results of answers from 108 respondents

Table 1. Respondent Identity

No.	Age	Total	Percentage
1.	17-21 Tahun	19	17,6%
2.	22-26 Tahun	61	56,5%
3.	27-31 Tahun	9	8,3%
4.	32-36 Tahun	6	5,6%
5.	>36 Tahun	13	12%
Total		108	100%

Based on the table of the number of respondents from consumers of ABC brand instant chili sauce products in Kediri City, the majority are aged 22-26 years as many as 61 consumers, with a percentage of 57.3%. While consumers with the least age range are consumers who have ages 32-36, totaling 6 consumers with a percentage of 5.6%. Meanwhile 66.7% are female, and the remaining 33.3% are male.

In this study, to determine the results of convergent validity between indicators and variables obtained through outer loading. The function of outer loading itself is to know the magnitude of the factor loading value, where the modeling uses all reflective indicators, so thetable used is the outer loading output. The following is the outer loading table used in this study.

Table 2. Outer Loading

			Factor Loading (O)	Sample (M)	Mean	Standard Deviation (STDEV)	Standard (STERR)	Error	T Statistics (|O/STERR|)
X1.1 <- PRODUK (X1)		KUALITAS	0,809227	0,811856		0,049293	0,049293		16,416794
X1.2 <- PRODUK (X1)		KUALITAS	0,818453	0,822487		0,049805	0,049805		16,433141
X1.3 <-		KUALITAS	0,902543	0,902796		0,026501	0,026501		34,056987

PRODUK (X1)					
X1.4 <- KUALITAS PRODUK (X1)	0,878535	0,879308	0,021286	0,021286	41,273148
X1.5 <- KUALITAS PRODUK (X1)	0,599518	0,599911	0,092160	0,092160	6,505195
X2.1 <- CITRA MEREK (X2)	0,897598	0,893842	0,029719	0,029719	30,202530
X2.2 <- CITRA MEREK (X2)	0,904180	0,906540	0,017617	0,017617	51,322884
X2.3 <- CITRA MEREK (X2)	0,925697	0,925269	0,017122	0,017122	54,063558
Y1.1 <- KEPUTUSAN PEMBELIAN (Y)	0,889360	0,888988	0,020376	0,020376	43,647886
Y1.2 <- KEPUTUSAN PEMBELIAN (Y)	0,906547	0,903269	0,029268	0,029268	30,973852
Y1.3 <- KEPUTUSAN PEMBELIAN (Y)	0,898281	0,899735	0,027548	0,027548	32,607562
Y1.4 <- KEPUTUSAN PEMBELIAN (Y)	0,840469	0,840057	0,030864	0,030864	27,231034

In this study, the validity of indicators is measured by looking at the Factor Loading value.which is in the outer loading table. Factor loading shows the correlation between indicators with variables, it can be said that the validity is sufficient if it is greater than 0.5 and or the T- Statistic value is greater than 1.96. Based on table 2, it can be seen that all reflective indicators on the Product Quality (X1), Brand Image (X2), and Purchase Decision (Y) variables show factor loading (original sample) greater than 0.50 and or significant (T-Statistic value greater than 1.96). Thus the estimation results of all indicators have met convergent validity or their validity is considered good.

Table 3. Average Variance Extracted (AVE)
The next measurement model is the Avarage Variance Extracted (AVE) value, whichis a value that shows the size of the indicator variance located on the latent variable. Convergent AVE values greater than 0.5 indicate good validity adequacy for latent variables. Meanwhile, the reflective indicator variable can be seen from the AVE value for each construct (variable). If the AVE value of each structure is greater than 0.5, it is said to be a good model.

Table 3. Average Variance Extracted (AVE)

	AVE
CITRA MEREK (X2)	0,826713
KEPUTUSAN PEMBELIAN (Y)	0,781522
KUALITAS PRODUK (X1)	0,654109

Based on table 3, it can be seen that the AVE test result for the Product Qualityvariable (X1) were 0.654109, the Brand Image variable (X2) was 0.826713, and the Purchasing Decision (Y) was 0.781522. The value of the three variables shows a value greater than 0.5 so that overall the variables in this study can be said to have good validity.

Table 4. Composite Reliability

	Composite Reliability
CITRA MEREK (X2)	0,934682
KEPUTUSAN PEMBELIAN (Y)	0,934625
KUALITAS PRODUK (X1)	0,902816

In table 4, the Composite Reliability test results show that the Product Quality variable (X1) is 0.902816 and the Brand Image variable (X2) is 0.934682 and the Purchasing Decision (Y) is 0.934625**.** These three variables show a Composite Reliability value above 0.70 so that it can be said that all variables in this study are reliable.

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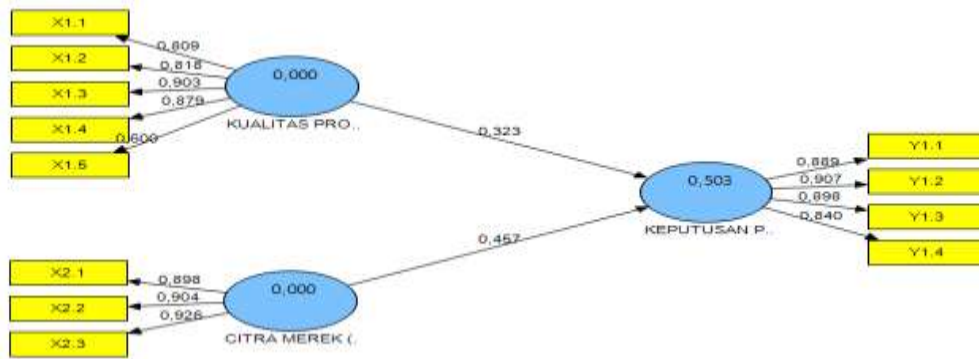

Table 5. R-Square (R^2)

	Composite Reliability
CITRA MEREK (X2)	0,934682
KEPUTUSAN PEMBELIAN (Y)	0,934625
KUALITAS PRODUK (X1)	0,902816

In this table, it is known that the R value^2 is 0.503480, so it can be interpreted that the Purchasing Decision is influenced by the Product Quality and Brand Image variables by 50.35%, while the remaining 49.65% is influenced by other variables outside this study (other than Product Quality and Brand Image).

In this study, hypothesis testing was carried out through a direct effect significance test with the aim of testing the effect of the independent variable on the dependent variable. Hypothesis testing is carried out through 3 stages of testing, such as t-test (t-statistic), p- values, and path coefficients. The test results can be seen as follows.

Table 6. Path Coefficients

	Path Coefficients (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STERR|)	P Values
KUALITAS PRODUK (X1) -> KEPUTUSAN PEMBELIAN (Y)	0,322666	0,335733	0,080829	3,991958	0,000
CITRA MEREK (X2) -> KEPUTUSAN PEMBELIAN (Y)	0,457452	0,453890	0,077957	5,868009	0,000

Based on table 6, it can be concluded that the hypothesis that product quality has a positive effect on purchasing decisions can be accepted, with path coefficients of 0.322666 and a T-statistic value of 3.991958 greater than Z α = 0.05 and a P-Value of 0.000 <0.05, the results are significant (positive). Brand Image has a positive effect on Purchasing Decisions can be accepted, with path coefficients of 0.457452 and a T-statistic value of 5.868009 greater than Z α = 0.05 and a P-Value of 0.000 <0.05, the results are significant (positive).

The results of the estimation and measurement model of this study in PLS are as follow:

In the PLS output picture above, it can be seen the magnitude of the loading factor value for each indicator which is above the arrow between the variable and the indicator and can be seen the magnitude of the path coefficients which are above the arrow line between the exogenous variables and the endogenous variables. In addition, it can be seen the amount of R-Square which is right inside the circle of endogenous variables (Organizational Commitment variables).

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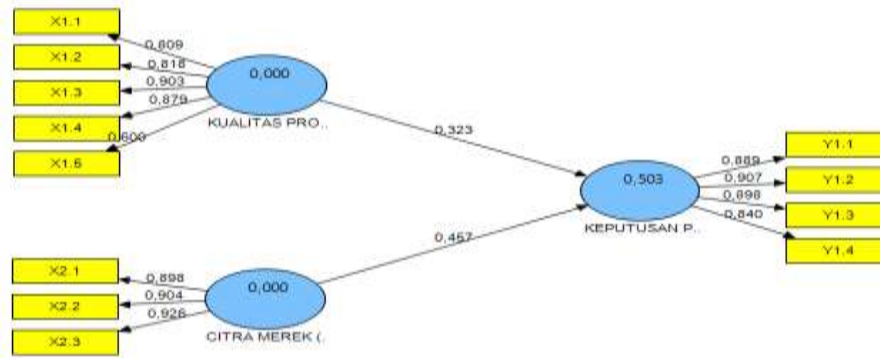
Effect of Product Quality (X1) on Purchasing Decisions (Y)

Based on the results of this study, it shows that product quality has a positive and significant influence on purchasing decisions. So it can be seen that the higher the product quality, the higher the purchasing decision. In this study, conformity to specifications is the biggest factor in influencing purchasing decisions. From this it can be seen that the ABC brand instant chili sauce product has product suitability in terms of packaging design and product performance to match consumer demand and be of interest to consumers. thus influencing purchasing decisions for ABC brand instant chili sauce in Kediri City. The results of this study are in accordance with research conducted by (Anam et al. 2020). In this study, it was suggested that product quality has a positive and significant effect on purchasing decisions. In addition, the results of this study are also in line with the results of research conducted by (Soebiantoro and Sari 2021) and (Efendi and Aminah 2023) which state that product quality has a positive and significant effect on purchasing decisions.

The Effect of Brand Image (X2) on Purchasing Decisions (Y)

Based on the results of the analysis of this study, it shows that brand image has a positive and significant influence on purchasing decisions. So it can be seen that the higher the brand image, the higher the purchasing decision. In this study, user image is the biggest factor in influencing purchasing decisions. From this it can be seen that the ABC brand instant chili sauce product is in accordance with the user's image in terms of good taste. So that consumers will continue to remember the taste given and influence purchasing decisions for instant chili sauce brand ABC in Kediri City. This research is in line with research conducted by (Shofwan, Aryani, and Nastiti 2021) which states that brand image has a positive and significant effect on purchasing decisions. In addition, this research is also in accordance with research conducted by (Rahmawati and Fitriyah 2022) and (Islamiyah and Soebiantoro 2022) which states that brand image has a positive and significant effect on purchasing decisions.

CONCLUSIONS

Based on the results of the research conducted, it can be concluded that the higher product quality and brand image, the higher the purchasing decision will be. This shows that product quality and brand image have a contribution to purchasing decisions for ABC brand instant chili sauce in Kediri City. The advice that can be given to the company is that it is expected to continue to improve product suitability in terms of packaging design and product performance to match consumer demand. In addition, the company must also improve the user image of good taste with the aim that consumers continue to remember the taste given by the ABC brand instant chili sauce in Kediri City. Then for further researchers, the authors hope that the results of this study can be used as a view in conducting research related to the influence of other unknown variables besides product quality and brand image.

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