

PRODUCT QUALITY, BRAND IMAGE AND LOCATION ON PURCHASING DECISIONS AT INDOMARET

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ABSTRACT

This research aims to find out whether product quality, brand image and location influence consumer purchasing decisions at Indomaret. The research location was conducted on consumers in Yogyakarta. This research uses a quantitative approach with data types, both primary data and secondary data. The sampling technique used was purposive sampling by looking at the criteria for respondents who had purchased products at Indomaret. To test the feasibility of the questionnaire, use validity and reliability tests. The research was conducted in the period March – June 2024, with a sample of 100 respondents. Data analysis uses multiple regression models. The selection of variables was based on previous preliminary surveys which indicated that there was a tendency for consumers to buy products at retailers they were already familiar with. The variables chosen in this research are categorized into dependent variables and independent variables. The dependent variable includes purchasing decision variables at Indomaret, while the independent variables are product quality, brand image and location variables. The research results show that the variables product quality, brand image and location have a positive and significant influence on purchasing decisions at Indomaret.

Keywords: product quality, brand image, location, purchasing decisions

INRODUCTION

The retail business is experiencing quite rapid growth. This can be seen from the increasing number of foreign retailers entering Indonesia. As a country with a population of more than 265 million people, Indonesia is an attractive market for retailers, both local and foreign. The retail business is experiencing quite rapid growth. This can be seen from the increasing number of foreign retailers entering Indonesia. As a country with a population of more than 280 million (Kompas.com, 2024), Indonesia is a quite promising market for the retail industry.

Indomaret is one of the players in the retail business. This retail provides basic daily needs with a sales area of less than 200 m². Indomaret was first opened in the Ancol area, North Jakarta in 1988 and is managed by PT Indomarco Prismatama. In 1997, this company developed the first franchise outlet business in Indonesia. And by June 2022, the number of outlets will reach around 20,000 outlets spread across Sumatra, Batam, Java, Madura, Bali, Nusa Tenggara, Kalimantan, Sulawesi and Maluku. (kompas.com, 2022)

Products from Indomaret include: food and beverage products (instant noodles, biscuits, cakes, soft drinks, mineral water). Household necessities products such as soap, toothpaste, detergent, tissue, and so on. Health and Beauty Products such as medicines, vitamins, supplements, skin care products, and so on. (Indomaret Web, 2024)

Sustainability (sustainability) of retail businesses will be achieved if consumers make a decision to make a purchase. This purchasing decision is of course based on several considerations, including product quality, store brand image and store location.

According to Kotler (2018) consumer purchasing decisions are part of consumer behavior, namely the study of how individuals, groups and organizations choose, buy and use a product to satisfy their needs and desires.

Product quality is the physical condition, function and nature of a product, whether goods or services, based on the expected level of quality so that it meets what consumers need and want (Tjiptono, 2015)

Brand image is a concept that is created within consumers for subjective reasons based on the consumer's perceived understanding. This image is formed based on impressions, based on the experiences a person has had with something, thus building a certain attitude towards the object (Schiffman, Kanuk, 2013)

According to Kasmir (2018), location or place is a place to show the goods being bought and sold. In this case, consumers can go to the sales place and see the goods being sold directly.

Table 1. Previous research

Researcher	Title	Research Variable
Khoironi, Hidayat (2018)	Product Quality, Brand Image and Pricing To Improve Satisfaction Impact on Customer Loyalty	Product Quality, Brand Image, Pricing, Satisfaction
Ghanimata (2012)	Analisis Pengaruh Harga, kualitas produk dan Lokasi terhadap keputusan Pembelian	Harga, kualitas produk, lokasi , keputusan pembelian
Rissa (2021)	Pengaruh harga dan kualitas produk terhadap keputusan pembelian	Harga, kualitas produk, keputusan pembelian
Puspita, Ginanjar (2021)	Pengaruh Harga, Kualitas Produk dan Citra Merek terhadap Keputusan Pembelian Produk Garnier	Harga, Kualitas Produk, Citra Merek, Keputusan Pembelian

This research raises the title Product Quality, Brand Image and Location on Purchasing Decisions at Indomaret. The variable added to this research is the location aspect. The problem raised in this research is whether product quality, brand image and location influence purchasing decisions at Indomaret. Meanwhile, the aim of this research is to analyze whether product quality, brand image and location influence purchasing decisions at Indomaret.

RESEARCH METHOD

Sample and Data Collection

In this research, a questionnaire was used using a Likert scale measurement model. The Likert scale uses scores from 1-5, and each one has meaning. Score 1 is an answer that strongly disagrees, score 2 is an answer that does not agree, score 3 is a doubtful answer, a score of 4 is an agree answer, and a score of 5 is an answer strongly agree. The population in this research are customers and the public who have purchased products at Indomaret.

The method used in sampling in this research was purposive sampling. Purposive sampling is a technique for determining samples with certain considerations (Sugiyono, 2017:126). Some of the criteria that the author set include: the sample lives in the Yogyakarta area and its surroundings, is over 15 years old and has made purchases at Indomaret.

Data Analysis Techniques

The analysis technique used in this research is quantitative data analysis, namely descriptive statistical analysis and regression models. Data processing techniques were carried out using the SPSS computer program. The regression equation is as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Information:

Y: Purchase Decision

β_0 : Constant

$\beta_1, \beta_2, \beta_3$: Independent variable coefficients

X1: Product quality
 X2: Brand Image
 X3 : Location
 e : error

Hypothesis Testing

This test is carried out to find out whether all independent variables, either simultaneously or partially, influence the dependent variable. This test was carried out using the t test and F test. According to Ghozali (2018:178), the t test (t-test) is a test to determine the effect of each independent variable on the dependent variable. This test was carried out with a significance level of 5%.

To see whether the independent variable has a significant influence on the dependent variable simultaneously, the test uses the same significance level as in the t test, namely 5%. If the significance value obtained is more than 5% (>0.05), then the hypothesis was rejected.

DISCUSSION

In general, the respondent profile is as follows.

A total of 100 questionnaires were distributed, with all respondents completing them adequately, resulting in 100 usable responses. This study was conducted between March and June 2024.

Profile Based on Gender

Table 2. presents the gender composition of the respondents (n = 100).

No	Gender	Number	Percentage (%)
1	Male	40	40
2	Female	60	60
	Total	100	100.

Source: Processed primary data (2024)

From Table 4.1, it is evident that the respondents who purchased Indomaret's private label products consisted of 40% males (40 individuals) and 60% females (60 individuals). The data indicates that women generally dominate shopping activities at Indomaret, as they tend to be more price-sensitive in their purchasing behavior compared to men.

Profile Based on Occupation

Table 3. presents the the occupations of respondents (n = 100)

No	Occupation	Number	Percentage (%)
1	Student	0	0
2	University Student	10	10
3	Employee	50	40
4	Entrepreneur	40	50
		100	100

Source: Processed primary data (2024)

The data reveals that 10% of the respondents are university students, 50% are employees, and 40% are entrepreneurs, indicating that Indomaret's consumer profile is predominantly composed of employees.

Research Instrument Testing

The results obtained through validity and reliability tests were satisfactory and met the standards for further analysis. The validity testing showed a t-value above 0.239, indicating that the data is valid. For reliability testing, the Cronbach alpha value exceeded 0.60, affirming that the variables are reliable for further data processing, consistent with Sekaran (2016).

Data Analysis

Multiple regression analysis yielded the following results:

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,589	1,227		1,296	,197
	Quality	,260	,087	,212	3,004	,003
	Brand	,231	,088	,196	2,628	,009
	Location	,454	,105	,309	4,343	,000
a. Dependent Variable: Purchasing Decision						
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	533,177	3	177,726	35,386	,000 ^b
	Residual	984,403	196	5,022		
	Total	1517,580	199			
a. Dependent Variable: Purchasing Decision						
b. Predictors: (Constant), Quality, Brand, location						

The regression analysis resulted in the following equation:

$$Y = 1.589 + 0.260 X_1 + 0.231 X_2 + 0.454 X_3 + e$$

Where:

- Y: Purchasing Decision
- X1: Product Quality
- X2: Brand Image
- X3: Location

The multiple linear regression analysis reveals:

- a. The variable X1, product quality, has a coefficient of +0.260, indicating that well-managed product quality positively influences purchasing decisions.
- b. The variable X2, brand image, has a coefficient of +0.231, suggesting that a strong brand image positively impacts consumer purchasing decisions.
- c. The variable X3, location, has a coefficient of +0.454, indicating that a strategically located store that is easily accessible positively affects purchasing decisions.

Hypothesis Testing

t-Test Results

1. H₀: Partially, the independent variables do not affect the dependent variable.
2. H_a: Partially, the independent variables affect the dependent variable.

Based on statistical calculations, the following results were obtained:

Effect of Product Quality (X1) on Purchase Decision (Y)

The significance value for the product quality variable (X1) is 0.003. Since $0.003 < 0.05$, H₀ is rejected and H_a is accepted, indicating that product quality significantly affects purchasing decisions.

Effect of Brand Image (X2) on Purchase Decision (Y)

The significance value for the brand image variable (X2) is 0.009. Since $0.009 < 0.05$, H₀ is rejected and H_a is accepted, indicating that brand image significantly affects purchasing decisions.

Effect of Location (X3) on Purchase Decision (Y)

The significance value for the location variable (X3) is 0.000. Since $0.000 < 0.05$, H₀ is rejected and H_a is accepted, indicating that location significantly affects purchasing decisions.

F-Test Results

Hypothesis Testing

1. H_a: $\beta_1, \beta_2, \beta_3$ (simultaneously, product quality, brand image, and location affect purchasing decisions).

2. H_a : β_1 , β_2 , β_3 (simultaneously, product quality, brand image, and location affect purchasing decisions).

A value of $F = 35.386$ was obtained at a significance level of $F_{sig}: 0.000$, where $0.000 < 0.05$. Therefore, H_0 is rejected and H_a is accepted, leading to the conclusion that product quality, brand image, and location simultaneously affect purchasing decisions.

CONCLUSION

The conclusions drawn from this research include:

- The consumer profile for those purchasing at Indomaret consists of 60% women and 40% men. Generally, women dominate shopping activities at Indomaret, and the purchasing demographic is primarily composed of employees (50%) and entrepreneurs (40%), with the remainder being students.
- The variables of product quality, brand image, and location have a positive and significant effect on purchasing decisions at Indomaret, confirming the research hypothesis.

Theoretical Implications

The findings of this study indicate that product quality significantly influences purchasing decisions, aligning with the views of Faryabi et al. (2012) in previous research.

Practical Implications

These findings provide valuable insights for Indomaret, emphasizing that product quality, brand name, and location are key variables in consumer purchasing decisions. Therefore, Indomaret should consider these factors in its strategic planning.

Limitations of the Study

This study utilized perceptual data from questionnaires directed at purchasers of Indomaret products, and the closed-ended nature of the questionnaires limited the exploration of field data.

Recommendations

Further exploration is needed regarding the demographics of Indomaret's consumers in relation to their domicile, especially considering that its presence is often perceived as detrimental to conventional retail.

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