THE EFFECT OF PERCEIVED PRODUCT QUALITY, BRAND IMAGE, AND PROMOTION ON CUSTOMER PURCHASE INTENTION (CASE OF ZARA CUSTOMERS IN GRAND INDONESIA, JAKARTA)

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ABSTRACT

The purpose of this study was to test whether the perception of product quality, brand image, and promotion had a positive effect on consumer buying interest. The survey method was applied to obtain data through a questionnaire. The research population target is all ZARA customers in Grand Indonesia, Jakarta. The sampling technique was done by purposive sampling. The number of samples is 400 respondents. Data analysis using SmartPLS program with partial least square-structural equation modeling (PLS-SEM) approach. The results showed that the perception of product quality, brand image, and promotion had a positive effect on the buying interest of ZARA consumers in Grand Indonesia Jakarta.

Keywords: Perception of product quality; brand image; promotion; customer purchase intention

ABSTRAK


Kata Kunci: Persepsi kualitas produk; citra merek; promosi; minat beli konsumen
INTRODUCTION

The technology industry is currently growing and diversifying. Millennials are a generation that is able to change the fashion market, which is now turning to fast fashion, because this is in accordance with their characteristics. For millennials, to socialize with friends of one generation, they usually pay attention to three things, namely social, interactive, and personal. Social means everything related to a person, the brand used, the channels they have, and the beliefs they hold. But in fact, a garment will be considered its existence if it has been published through social media, to be shown to the public. Second, interactive. In order to interact with other people, they try to show that they deserve recognition, so interactive experiences and creating opportunities to engage are important for millennials. Lastly, personal. Fashion is how they express themselves. Everything they wear from their hair to the clothes they wear is fashion. So, they must be able to express themselves consistently, how they want to be seen.

Thus, fashion companies have shifted their focus from focusing on the products offered to focusing on customers in order to maintain buying interest by utilizing technology. The object of observation in this research is ZARA, which is a company founded in 1975 that was founded by Armancio Ortega and Rosallia Mera and is the largest fashion and apparel industry in the world and now has 2,270 stores spread almost all over the world. Based on Brand Finance (2019) which states that ZARA's Brand Strength Index is 85.1 out of 100 which is ranked 5th in the world. Initial research results taken from 10 respondents who filled out the questionnaire stated that 80% were more familiar with the H&M brand compared to ZARA, Uniqlo, Pull and Bear and Bershka and 20% knew ZARA better than others. Of the 5 brands, 50% prefer H&M to be their top choice for buying, 10% choose ZARA and 40% choose Uniqlo. A short interview was conducted with one of the operational staff from ZARA on November 27, 2020, that they had expectations of 10 people who entered the store, so 9 of them knew more about the ZARA brand than other brands, of 10 people who entered, 7 of them would buy ZARA products. When the promotion is held, out of 10 people who enter, 9 of them will make purchases where when the promotion is carried out, the level of buying interest increases compared to no promotion in ZARA, thus there has been a gap between expectations and reality in the brand and also the buying interest of ZARA customers. The use of replication research from research that has been conducted by Ariffin and Fachrodji (2015) to test whether this research model can be applied to the ZARA company in Grand Indonesia by using more respondents as suggested by previous studies.

LITERATURE REVIEW AND HYPOTHESIS

Customer Purchase Intention

Purchase intention is an attitude that shows pleasure in a product that makes customers willing to pay with money and also sacrifice to get the product, purchase intention can also be interpreted as a reflection of the customer's plan to buy a product in a certain amount from several brands and within a certain period of time. This buying intention creates a kind of motivation for customers to record and makes it a strong desire which in the end when the customer wants to realize this desire, what is recorded is the product and this purchase interest can be obtained through a learning process in the form of experiences that form a perception (Schiffman & Kanuk, 2007; Maghfiroh, Arifin & Suniarti, 2016). According to Putriansari (2019) purchase intention is a follow-up to purchase intention by customers with their belief to decide whether customers will buy the product or not. Purchase intention is a high heart's desire
for something and makes sacrifices or efforts to get these goods or services (Kamus Besar Bahasa Indonesia, 2002; Adila & Nazaruddin, 2019).

The relationship between perceived product quality and customer purchase intention

Perception of product quality is a measure of customer evaluation that comes from experience in buying the product, this quality is measured by how much a product or service is capable of meeting customer needs and how often errors or failures occur (Tjiptono & Diana, 2015; Putriansari, 2019) Perception of quality will be one of the determining factors whether the customer will buy the product or not, quality will be a consideration for customers in the purchase process (Febiyanti, 2018). The perception of the quality of this product will directly or indirectly provide an assessment of a product that has been purchased or consumed, this evaluation is based on what customers receive compared to customer expectations regarding the product (Suryani, 2013; Putriansari, 2019). Based on research conducted by Putriansari (2019), it is said that the perception of product quality has a positive and significant influence on customer purchase intention as well as research conducted by Ningsih (2017) and Febiyanti (2018) which states that perceptions of product quality have a positive and significant effect, also significant to customer purchase intention.

H1: Perception of product quality has a positive effect on customer purchase intention

The relationship between brand image and customer purchase intention

Brand image is the impression of customers about the brand itself in their memory (Kotler & Keller, 2012; Cuong & Long 2020). Brand image can also be a tool for customers to be able to recognize products, provide quality-related evaluations, reduce certain risks, gain experience and also get certain satisfaction from a product (Sondakh, 2013). Brand image is about the feelings and thoughts of customers when they see a particular brand. Brand image can also be said to be the customer's opinion on the brand itself or how customers value a brand (Kotler & Keller, 2012; Fatmaningrum & Fadhilah 2020). The brand image is formed from the knowledge and previous experience of the customer with the brand (Susanti & Zakaria, 2020). Brand image is a customer response to a brand of a product where it will create an association about a brand and will continue to stick in their memory. Thus, brand image can be concluded as the perception and judgment of customers about a good or service that is embedded in the mind or in the memory of the customer (Kotler & Keller, 2008; Ruslim & Andrew 2012). According to Maghfiroh, Arifin and Suniarti (2016), Brand image has a positive direct effect on customer purchase intention as well as Purnomo & Indriani (2018) and Kartika et al. (2019) saying that brand image has a positive and significant effect on customer purchase intention.

H2: Brand image has a positive effect on customer purchase intention

The relationship between promotion and customer purchase intention

Promotion is an incentive tool that is usually used to stimulate purchases to make them bigger and faster for a particular product (Kotler & Keller, 2009; Nugroho & Iriani, 2020). Promotion is one way to attract customers to try new products and leave competitors' products and can be used to reward loyal customers (Kotler, 2010; Satria & Sidharta, 2017). According to Belch & Belch (2003), the promotion of sales is a marketing activity carried out in order to have a positive impact on salespeople, distributors and main customers and also to stimulate sales quickly. There are 5 main promotional tools, namely sales promotion, advertising, personal selling, direct marketing and public relations (Kotler and Amstrong, 2008; Arifin & Fachrodji, 2015).
Sales promotion is an activity in order to communicate the marketing of these products in addition to advertising, personal selling which offers added value for these products (Lamb et al., 2001; Natalia & Mulyana, 2014). Research conducted by Nugroho and Iriani (2020) which states that promotion has a positive and significant impact on customer purchase intention and is supported by research conducted by Adila & Nazaruddin (2019) and Satria & Sidharta (2017) which state that promotion has a positive impact and also significant to customer purchase intention.

H3: Promotion has a positive effect on customer purchase intention

**Figure 1. Research Model**
Source: Ariffin and Fachrodji (2015)

**RESEARCH METHODS**

This research is a research that uses a survey where data collection is done using a questionnaire. The target population is 400 respondents who have made transactions at ZARA Grand Indonesia for the 2020 period. The sampling technique used in this study is purposive sampling with the criteria of having products from ZARA at least 5 products. The number of samples is determined by the formula sample size for a proportion (Mason et al., 1999), namely $n = p \times (1-p) \times \left(\frac{z}{e}\right)^2$, where $p = 0.5$ because it is assumed that respondents who have buying interest in ZARA is at 50%, with a level of confidence of 95% or equal to 1.96. The margin of error used is 5%.

The questionnaire items used in the variable perception of product quality, brand image, promotion and customer purchase intention also use a 5-point Likert scale calculation, namely 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree. This indicator item was adapted from Ariffin and Fachrodji (2015); Natalia and Mulyana (2014); Nugroho and Iriani (2020); Kartika et al. (2019); Putriansari (2019); Ratri (2007); Amilia &
Asmara (2017) and Development Scale. The analysis in this study used a partial least square model or PLS-SEM approach using the SmartPLS 3.0 program.

Measurement Model

At this stage the validity and reliability will be tested by calculating the value of average variance extracted (AVE) and outer loadings where if the value of AVE exceeds 0.5 then the indicators of these variables can be fulfilled their convergent validity, if the value of this outer loading exceeds. of 0.7 then this indicator has a significant effect (Sauddin & Ramadhani, 2018). Based on table 1, all indicators representing each variable have an AVE value above 0.5 and a CR value of more than 0.7. So it can be proven that the indicators representing each of these variables are valid and can be used in this test.

Table 1. Measurement model evaluation

<table>
<thead>
<tr>
<th>Construct and item</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Perceived Quality/ P (AVE=0,555, CR=0,833)</strong></td>
<td></td>
</tr>
<tr>
<td>P1 ZARA has good qualities.</td>
<td>0.761</td>
</tr>
<tr>
<td>P3 ZARA displays the same products as in advertisements.</td>
<td>0.714</td>
</tr>
<tr>
<td>P4 ZARA has a product you can rely on.</td>
<td>0.732</td>
</tr>
<tr>
<td>P5 ZARA products use great quality ingredients.</td>
<td>0.771</td>
</tr>
<tr>
<td><strong>Brand Image/ C (AVE=0,528, CR=0,768)</strong></td>
<td></td>
</tr>
<tr>
<td>C2 ZARA has an interesting name.</td>
<td>0.606</td>
</tr>
<tr>
<td>C3 ZARA is unique compared to other products.</td>
<td>0.782</td>
</tr>
<tr>
<td>C5 ZARA is a well-known brand in society.</td>
<td>0.777</td>
</tr>
<tr>
<td><strong>Promotion/ PR (AVE=0,526, CR=0,847)</strong></td>
<td></td>
</tr>
<tr>
<td>PR1 ZARA often provides discounts.</td>
<td>0.726</td>
</tr>
<tr>
<td>PR2 ZARA often provides promo items.</td>
<td>0.753</td>
</tr>
<tr>
<td>PR3 ZARA often holds promotional events.</td>
<td>0.718</td>
</tr>
<tr>
<td>PR5 Giving discounts by ZARA provide encouragement to make purchases.</td>
<td>0.704</td>
</tr>
<tr>
<td>PR 6 Discounts provided by ZARA attract buyers' attention.</td>
<td>0.723</td>
</tr>
<tr>
<td><strong>Customer Purchase Intention / M (AVE=0,511, CR=0,806)</strong></td>
<td></td>
</tr>
<tr>
<td>M1 I have a desire to buy ZARA products in the near future.</td>
<td>0.635</td>
</tr>
<tr>
<td>M3 I will continue to buy ZARA brand products.</td>
<td>0.776</td>
</tr>
<tr>
<td>M4 ZARA is my main consideration in purchasing.</td>
<td>0.707</td>
</tr>
<tr>
<td>M5 I will recommend ZARA to my friends.</td>
<td>0.733</td>
</tr>
</tbody>
</table>

Notes: AVE= average variance extracted; CR= composite reliability

Source: Results of data processing

In discriminant validity testing, what must be compared is the root of the AVE that has been previously processed with variables that have a correlation between the construct and other constructs in the research model (Thaib et al., 2017). In Table 2, the validity test has been fulfilled because the value of AVE is greater than the correlation value between constructs.

Table 2. Fornell-Larcker Criterion

<table>
<thead>
<tr>
<th>C</th>
<th>M</th>
<th>P</th>
<th>PR</th>
</tr>
</thead>
</table>

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### Structural Model

In the model testing R2, collinearity statistics and testing the hypothesis. The higher the value of R2, the better and below is a calculation made on each existing variable, namely the perception of product quality, brand image, promotion and customer purchase intention, this study uses R-Square with the aim that the response of the sample can describe the entire population in the study. For the customer purchase intention variable, it has a R2 value of 0.547 or 54.7% and the rest is influenced by other variables not proposed in this study.

**Table 3. Coefficient of Determination**

<table>
<thead>
<tr>
<th>Variabel</th>
<th>R-Square (R²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Purchase Intention</td>
<td>0.547</td>
</tr>
</tbody>
</table>

Source: Results of data processing

The next test is the collinearity statistics test where this test is carried out to test whether there is a collinearity tendency in the research model used. The limit of this VIF value is 5, if the value of this VIF is more than 5 then it tends to have collinearity (Hair et al., 2014; Bernarto, Wilson, & Suryawan, 2019). In table 4 it can be seen that the value of each variable does not exceed 5 so that all of these variables are safe and there is no collinearity between variables.

**Table 4. Collinearity Statistics (VIF)**

<table>
<thead>
<tr>
<th>As a Predictor of Customer Purchase Intention</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perception of Product Quality</td>
<td>1,815</td>
</tr>
<tr>
<td>Brand Image</td>
<td>2,219</td>
</tr>
<tr>
<td>Promotion</td>
<td>1,733</td>
</tr>
</tbody>
</table>

Source: Results of data processing

The next test is hypothesis testing, this test is done to find out whether this research is supported or not. Hypothesis testing in table 5 shows that not all hypotheses are supported, because not all of these hypotheses meet the requirements, namely when the p-value is less than 0.05, there is a significant effect (Fajariah, Thoyib & Rahman, 2016). So that there is a hypothesis, which is not supported in this study because it does not exceed 0.05, namely brand image does not significantly influence customer purchase intention.

**Table 5. Size and Significance of Path Coefficient**

| Hipotesis         | Standardized Path Coefficient | p-values | Decision |
|-------------------|------------------------------|----------|----------|----------|
DISCUSSION

The results of the first hypothesis test, namely the variable perception of product quality have a positive and significant effect on customer purchase intention as evidenced by table 5 which discusses indicators of product quality perceptions from ZARA and the results for all categories of the answer are strongly agree so that the 402 respondents who fill in strongly agree that the perception of product quality will affect the purchase intention of customers and is supported by table 5 which reveals that the perception of product quality has a positive and significant effect on customer purchase intention. Previous studies conducted by Ningsih (2017), Prawira and Yasa (2014) and those conducted by Joel et al. (2014) had the same results as this study. Perceptions of product quality have a positive and significant effect on customer purchase intention. The higher the level of perception of the quality of ZARA products, the higher the purchase intention of customers, so it is advisable for companies to continue to use international quality materials ranging from threads, cotton to accessories that the company uses to market in order to increase purchase intention from customers.

The result of the second hypothesis test, namely brand image does not have a positive and significant effect on customer purchase intention, if it is seen from table 5, it shows that the value of p-value is greater than 0.05, so this hypothesis is not accepted. This is different from previous research conducted by Prawira & Yasa (2014) which states that brand image has a positive and significant influence on customer purchase intention. This research is supported by previous research conducted by Arista & Astuti (2011) and Nurhayati (2017) who say that the brand image variable has a significance level of more than 0.05 so it can be said to be insignificant.

The results of the third hypothesis test, promotion has a positive and significant influence on customer purchase intention and this is evidenced by table 5 that the value of the standardized path coefficient of the promotion variable is 0.120 and also the p-value of this promotion is 0.000 where if it is smaller than 0.05 then this variable has a significant effect on customer purchase intention. Previous research that has similar results is research conducted by Nasution & Yasin (2014) and Satria & Sidharta (2017) which states that promotion has a positive and significant effect on customer purchase intention variables. Promotion is the most important factor in a company to attract the attention of buyers and make customers recommend it to colleagues or their families as evidenced by almost all respondents agree that if a promotion is carried out they will recommend the brand, it is important for companies to continue to maintain this promotion to increase purchase intention from the customers themselves. The form of promotion that can be suggested to companies is by giving promotional items, giving discounts on slow moving goods, even though these items are

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Standardized Coefficient</th>
<th>P-value</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: Perception of Product Quality has a positive and significant effect on Customer Purchase Intention</td>
<td>0.097</td>
<td>0.006*</td>
<td>Supported</td>
</tr>
<tr>
<td>H2: Brand Image has no positive and significant effect on Customer Purchase Intention</td>
<td>0.125</td>
<td>0.066</td>
<td>Not Supported</td>
</tr>
<tr>
<td>H3: Promotion has a positive and significant effect on Customer Purchase Intention</td>
<td>0.120</td>
<td>0.000*</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Notes: *= significant (5%, one-tailed test)

Source: Results of data processing
classified as slow moving items, but the eyes of customers will always be focused on items that are given promotion so that they continue to increase purchase intention of customer.

CONCLUSION

It can be concluded from the results of this study that the perception of product quality has a positive and significant influence on customer purchase intention and it can be interpreted that the higher the perception of good quality, the purchase intention from customers will also increase and it can be said that ZARA has a perception of product quality from good respondents so as to increase their purchase intention.

Brand image does not have a positive or significant relationship to the customer purchase intention variable, it is concluded that the brand image of the company does not affect the purchase intention of customers. Promotion has a positive and significant influence on customer purchase intention, so that any promotions carried out by the company will increase the purchase intention of ZARA customers.

LIMITATIONS AND FUTURE RESEARCH

In this study, there are several limitations and deficiencies in the process which in the future will be used as learning for future research. The following are the limitations that exist during the research process. so that there are opportunities for other respondents who are outside the criteria.

This research is only centered on Grand Indonesia as well as during the pandemic which resulted in a lack of direct access to the place where this research took place. For the next research it is recommended to research other areas outside JABODETABEK so that the data obtained is also more diverse and also different compared to only researching in Jakarta.

This study does not provide criteria regarding monthly income so that the data obtained is not too clear and for the next research suggestion use these criteria so that the data obtained becomes clearer and more specific regarding the characteristics of the respondents obtained.

This study uses partial least square-structural equation modelling (PLS-SEM) but this approach could not examine the feasibility of the model. Suggestions for further research are to use covariance based-structural equation modelling (CB-SEM) in order to examine the feasibility of the research model.

The research conducted only tested the variable perceptions of product quality, brand image, promotion and buying interest so that the results obtained were less than optimal and it is recommended for further research to use other variables outside the variables that have been used such as service quality, price perception, word of mouth and loyalty. customers so that the data obtained becomes more diverse and also generates broader knowledge.

REFERENCES


