The Influence Of Promotion, Product Quality And Product Variety On Purchasing Decisions With Brand Image As An Intervening Variable For Herborist Product (Case Study of Solo Raya Student)

Sri Darsini Universitas Muhammadiyah Surakarta *Email : sridarsini495@gmail.com*

Nur Achmad Universitas Muhammadiyah Surakarta

Email : <u>nur.achmad@ums.ac.id</u>

Corresponding email: sridarsini495@gmail.com

Abstract. Using brand image as an intervening variable for Herborist prducts, this study examined the impact of promotion, product quality, and product variety on purchasing decisions, This kind of study employs a quantitative methodology. An online questionnaire is used as part of the data collection tool. With a sample siza of 100, the study's population consisted of Greater Solo students who used Herborist product. Purposive sampling, which selects samples based on predetermined criteria was the sampling strategy employed in this study. Smart PLS is used for data analysis. The study's finding show that factors related topromotions, product variety, and quality have a favorable and significant impact on consumers' decisions to buy. It has not been demonstrated that brand image mediates the impact of promotion on purchase decisions. Product variations can have a positive and significant impact on purchasing decision variables through the mediation of brand image.

Keywords. Promotion; Product Quality; Product Variety; Purchase Decision; Brand Image

INTRODUCTION

In the current era of globalization, business competition is very tight, demands for demands aimed at companies to be able to meet what consumers need. Each company strives to sell products with high quality and produce products that are superior to competitors. Thus, industrial development is increasing and continues to expand. One product that is often found in the midst of this industrial development is body care products. Nowadays, appearance is an important thing and needs to be considered for the community. The demand to look attractive makes people do many ways to meet thes demands. People try to take care and maintain their bodies to look attractive, both woman and man. This is what makes the cosmetics industry continue to increase. In Indonesia, the competition in the cosmetics industry is getting tighter and more diverse. Many types of cosmetics to body care have emerged, both local and foreign brands. People can easly find various types of products offered, ranging from those specifically for facial skin care to products intended for body care.

One of the body care products that is often found is Herborist. The ingredients in a product can cause effects on its users, including chemicals. One of the local brands of care products that is priented towards the use of natural and herbal ingredients is Herborist products. Herborist is able to attract the attention of the Indonesian people because it is a local product that uses natural main ingredients. Herborist is a traditional Balinese skincare brand, which currently sells products in the Jakarta area with a factory in Semarang, Central Java. Herborist started marketing its products in 2009. Herborist is able to survive until now a mid the many new products that have sprung up and compete with products that have existed first. From the data obtained from www.marketbisnis.com, it is stated that as a cosmetic industry, PT Victoria Care Industry Tbk (VCI) has succeeded in increasing sales of the Herborist brand (beauty scrub) by 20% during 2021. Herborist sales growth occurs due to the influence of several indicators, including the quality of the products sold to the promotions carried out. The existence of advantages in competing with this company also has implications for purchasing decisions from consumers which will increase.

Purchasing decisions are a process of combining information to evaluate two or more options. As a result, the cognitive presentation of alternative behavior to make a choice is the desire to act by selecting one of the available options. Making purchasing decisions is a goal-oriented problem-solving process, and includes several decisions. (Haikal Aulia R, 2019)

(Anuraga, 2015) Show that the way a product is promoted affects people's decisions to buy it. One crucial component of the marketing mix that entrepreneurs should ultilize to advertise their products or services is promotion. Furthermore, Kotler (2014:41) says that "a company's promotion is a set of activities in which the company highlights the features of its products in an effort to persuade consumers to purchase them (Haikal Aulia R, 2019)

In general, consumers will pay attention to the quality and durability of a product do that it can be used for a long time. Quality reflects all aspects of producing products that are beneficial to consumers, Tjiptono in (Sirly Amry, 2019). Brand image has an important role in distinguishing service providers from competitors. Brand image is the preception of consumers about a product. When consumers feel that the product has a high brand image, at the same time consumers already have a positive perception and consumers purchase intentions will increase.

Since the inception of Herborist until today, the variety of products has been diverse and even continuous from one product to another. It focuses on personal care which is the main demand of the Indonesian people. Not only one Herborist vary with uniquesness of each product's scent, it also carries an educational theme at Oemah Herborist, its production house, to dominate the market. Apart from being know for being processed from natural ingredients, a pleasnt and comfortable aroma when used by consumers is also the hallmark of Herborist products. (Dewi Setyorini, 2021)

Based on this initial thinking, the purpose of this study is to analyse the effect of promotion, product quality and product variety on purchasing decisions, with brand image as the intervening variable for Herborist products. With the framework show in Figure 1 below.



Below is the formulation of the hypothesis to be studied :

- H1 = Promotion (X1) has an influence on purchasing decision Herborist product (Y)
- H2 = Product quality (X2) has an influence on purchasing decisions for Herborist products (Y)
- H3 = Product variety (X3) has an influence on purchasing decisions for Herborist product (Y)
- H4 = Brand image (Z) mediates are effect of promotion (X1) on Herborist purchasing decisions (Y)
- H5 = Brand image (Z) mediates are effect of product quality (X2) on purchasing decisions (Y)
- H6 = Brand image (Z) mediates the effect of product variety (X3) on purchasing decisions (Y)

METHOD

The research uses quantitative as the cjosen approach and includes explanatory research. The population determined in this paper consist of all student in Solo Raya who have used or are using Herborist products. 100 respondents were selected as the sample. Non-probability sampling with purposive sampling method was the technique used in sampling. In this study, data was collected through online questionnaire distribution.

The source of information and data used is primary data, namely information obtained from questionnaires distributed directly online to a predetermined sample of respondents. The measurement scale in this study is a Likert scale. This study uses the SEM-PLS technique to test hypothesis. Structural Equation Model analysis method to predict the effect of each variable on other variables throught model.

RESULTS AND DISCUSSION

A. Result

SmartPLS analysis validity can be measured in two ways. The following are the results of the analysis that has been carried out:

Descriptive Analysis

From the result of distributing online questionnaires to Herborist student users in Solo Raya, it is known that female consumers dominate with a percentage of 83.4%. While the rest are male with a percentage of 16.6%. Respondents based on age consisted of 89.4% aged 17 - 22 years and 10.6% aged 23 years. According to the respondents' characteristics and the quantity of Herborist products they purchased, 60.3& had made 1 - 2 purchases and 39.7% had made more than two.

Convergent Validity

If a correlation value reaches > 0.7, it can be said that the value is high. Below is the outher loading value of this study :

Variabel	Indicators	Outer Loading		
	X1.2	0.619		
Dramatian (V1)	X1.4	0.855		
Promotion (X1)	X1.5	0.625		
	X2.1	0.826		
Product Quality (V2)	X2.4	0.754		
Product Quallity (X2)	X2.5	0.583		
	X3,3	0.784		
Product Variety (X3)	X3.4	0.681		
	X3.5	0.724		
	Y1.1	0.839		
	Y1.2	0.813		
Purchase Decisions (Y1)	Y1.3	0.805		
	Y1.4	0.377		
	Y1.5	0.809		
	Z1.1	0.660		
	Z1.2	0.772		
Prond Image (71)	Z1.3	0.868		
Brand Image (Z1)	Z1.4	0.768		
	Z1.5	0.846		

Table 1 : Outer Loading

The aforementioned information makes it evident that pratically every variable indicator in this study has an outher loading value higher than 0.07. However, according to Chin (Ghozali, 2008), a loading value on the measurement scale between 0.5 and 0.6 is deemed adequate to satisfy the requirements for convergent validity, and the remaining variables are deemed legitimate or scienctifically feasible, allowing for additional analysis.

Discriminant Validity

The AVE (Average Variance Extracted) provides information on discriminant validity assessment. If the AVE value is > 0.5 then in terms of discriminant validity it can be said to be

	AVE (Average Variance Extracted)
Brand Image	0.562
Purchase Decisions	0.562
Product Quallity	0.530
Promotion	0.501
Product Variety	0.534

valid. Below is the AVE values for each variable in this analysis are show below.

 Table 2 : AVE (Average Variance Extracted)

It is evident from the analysis result in the aforementioned data that each variable's AVE (Average Variance Extracted) value is greater than 0.5. In this study, the variable values for brand image purchase decision, product quality, promotion and product variety are 0.562, 0.562, 0.534, and 0.530, respectively. Thus, in terms of discriminant validity, the value of each variable is said to be valid.

Reliability Test

Reliability test is conducted to see the extent to wich respondents are consistent in their answers when given questions. The reliability test in this analysis uses composite reliability. The composite reliability value of each variable in this study is shown in the following table :

	Composite Reliability
Brand Image	0.792
Prurchase Decisions	0.858
Product Quallity	0.768
Promotion	0.746
Product Variety	0.774

 Table 3 : Composite Reliability

Based on the table above, it is known that the composite reliability value meets the requirements that have been requested, namely > 0.7. With a brand image value of 0.729, purchasing decisions of 0.858, product quality of 0.768, promotion of 0.746 and product variety of 0.774. This shows that the composite reliability of each variable has been fulfilled. Thus, it can be said that there is a high reliability value for every variable.

Multicollinearity Test

The tolerance velue and VIF (Variance Inflantion Factor) value demonstrate the multicollinearity test. The cut-off value whose tolerance value is over 0.1 or equal to VIF < 10 can be used to identify multicollinearity. In this investigation, the VIF value is as follows :

	Brand Image	Purchase Decision
Brand Image		2.175
Purchase decision		
Product Quallity	2.057	2.352
Promotion	1.549	1.599
Product Variety	1.659	1.910

 Table 4 : VIF (Variance Inflation Factor)

The aforementioned data indicates that the product quality variable on purchase decision has a value of 2.352, while the brand image variable on purchasing decisions has a value of 2.175. Promotional variables had values of 1.549 and 1.599, respectively, in relation to brand image and purchasing decisions. Ultimately, 1.910 is the product variation variabel's value in relation to purchase decision.

The results of the above analysis show that the VIF is < 0.1 and > 0.5. The highest VIF value is 2.352 and the smallest is 1.549, meaning that multicollinearity between variables in this study does not occur.





Figure 2. Inner Models

A structural model known as an inner model forecasts the casual relationship between latent variables (Achmad, 2022). This study explains the inner model testing throught the goodness of fit test, path coefficient and hypothesis tests.

Goodness of Fit Test

R-Square

The R-Squared value indicates the magnitude of the determination of endogenous variables by exogenous variables. The following table displays the coefficient of determinantion for this study:

Table 5 : R-Square				
	R-Square	R-Square Adjusted		
Brand Image	0.540	0.531		
Purchase Decisions	0.679	0.670		

To determine whether promotional variables, product quality, and product variety have an impact on brand image as well as the impact of these variables' magnitude on consumer purchasing decisions, the R – Square value derived from the aforementioned data, the impact of roduct quality, variety, and promotion on brand image is 0.679, or 67.9%, and the variable value of promotion,

product quality, and product variation on purchasing decisions is 0.540, or 54%. The remaining R1 = 46% and R2 = 32.1%, which are extraneous variables influencing brand perception and purchase decision.

Q-Square

The next test is the Q-squared test. The Q-Squared values is used to determine whether the results of the observation value by the model as well as its parameters are classified as good or not. If the Q-Squared value > 0 then it can be said that the value has a relevant precedent, if Q-Square < 0 the the value is less relevant. The Q-Squared value is shoen in the following table :

	Q ² (=1-SSE/SS0)
Brand Image	0.282
Purchase Decisions	0.368
Product Quallity	
Promotion	
Product Variety	

Table 6 : Q-Squared

The result of the calculating using SmartPLS get a value of 0.282 or Q21 = 28.2% and 0.368 or Q22 = 36.8%. This value explains the level of diversity generated by the independent variables in explaining the dependent variables os classified as fit because Q2 is > 0.

Hypothesis Testing

Hypothesis tasting is necessary to analyse the variables tested and validate the model. Hypothesis testing is carried out for testing direct effects as well as indirect or mediating effect

Direct Effect

The study's direct effect test employs a bootstrapping procedure to determine the process's initial sample value and t – statistic, or p value. Below is the path coefficient value of the test result

Table 7 : Direct Effect					
	Hipothesys	Original Sample	t-Statistict	P Values	Description
Promotion -> Purchase					
Decision	H1	0.215	2.555	0.011	Positive significant
Product Quallity -> Purchase					
Decision	H2	0.211	2.266	0.024	Positive significant
Product Variety -> Purchase					
Decision	H3	0.278	3.465	0.001	Positive significant

To find out whether the data above has a significant effect or not, it can be seen from the p-value where the resultis (t-table value 1.960) (Achmad, 2022)

From the results of the above analysis, the following interpretation results can be obtained :

Promotion has an effect on purchasing decisions.

According to the above table, the p-value is 0.011 and the t-statistic value is 2.555 for the promotion variable on purchase decisions. Thus, the p-value is 0.011 < 0.05 and the t-statistic

value is 2.555 > 1.960. Therefore, it may be said that promotions significantly and favorably affect consumers decisions to buy. Decisions made regarding purchases will result in promotion within the organization and vice versa.

Product quality has an effect on purchasing decisions.

Based on the aforementioned data, the t-statistic for the product quality variable on purchasing decisions has a value of 2.266 and a p-value of 0.024. It is feasible to draw the conclusion that decisions about what to buy are significantly and favorably influenced by the product quality variable with a t - statistic value > 1.960 and p - value <0.05. When a product's quality rises, consumers will make more purchases of it, and vice versa.

Product variety affects purchasing decisions.

Based on the computations mentioned earlier, the t-statistic value is 3.465 with a p-value of 0.001. Given the above data, which show a t-statistic > 1.906 and a p-value < 0.05, it can be concluded that product variation significantly and favorably affects consumers decisions to buy. Buying decisions will rise in tandem with an increase in product variations.

Testing Inderect Effects

From the results of direct testing, the following results were obtained :

	Hipothesys	Original Samples	t-Statistict	P Values	Description
Promostion -> Brand Images ->					Positive not
Purchase Decision	H4	0.044	1.773	0.077	significant
Products Quallity -> Brand					
Images -> Purchase Decisions	H5	0.106	3.134	0.002	Positive significant
Products Variety -> Brand					
Images -> Purchase Decisions	H6	0.098	2.396	0.017	Positive significant

The value of promotion on purchasing decisions mediated by brand image has a p – value of 0.007 and t – statistic value of 1.773, as can be seen from the data above. This indicates that the sales promotion variable's influence on consumers' purchase decisions cannot be moderated by the brand image variable.

As a mediating variable on purchasing decisions, brand image is associated with a p – value of 0.002 and a t – statistic of 3.134 for the product quality variable. This shows that the relationship between product auality and purchasing decisions is mediated by the brand image variable.

Additionally, the p – value is 0.017 and the t – statistic value is 2.396 for the variable product variation on purchasing decisions and brand image as a mediating variable. It is possible to interpret this as evidence that the brand image variable can moderate the impact of product variations on decisions made about what to buy.

B. DISCUSSION

There is an influence of promotion on purchasing decisions.

It is evident from the analysis that promotion has a favorable and substantial impact on purchasing decisions. A p – value of 0.011 and a t – statistic of 2.555, which show that the t – statistic > 1.960 and a p – value of 0.011 < 0.05, support this statement in the analysis in the Table 7. It can be concluded than Solo Raya Student's decisions to buy Herborist products are positively and significantly impacted by the sale promotion variable. This is consistent with a study on the impact of sales promotions on decisions to buy Indihome product in 2020 (Robi Andriansyah H, 2020). The study's findings indicate that sales promotion may have an impact on consumer's decisions to buy.

H1 : The degree of a noteworthy and beneficial influence.

There is an effect of product quality on purchasing decisions.

The results of the analysis indicate that factors related to product quality have a positive and significant impact on consumer's decisions to buy. Table 7 ilustrates this with a p – value of 0.024 and a t – statistic of 2.266, the findings indicate that the p – value of 0.024 is less than 0.05 and the t – statistic is greater than 1.960. It can be concluded that Solo Raya student's decisions to buy Herborist products are significantly and favorably influenced by the quality of the products. This statement is consistent with research (Yoseph Pangestu B, 2019) that shows how purchasing decisions are influenced by the quality of the product.

H2 : It is well known that aspects of product quality have a favorable and substantial influence on consumers' purchasing decisions.

There is an effect of product variation on purchasing decisions.

The analysis of this study's result has shown that product variety has a positive and significant impact on consumers' decisions to buy. Table 7 demonstrates the t – statistic > 1.960 and the p – value of 0.001 < 0.05, supporting the statement. The p – value is 0.001 and the t – statistic 2.255. The study concludes that product variety variables have a positive significant impact on Solo Raya student's decisions to buy Herborist products. According to studies (Yessi Lestari, 2017), there is a relationship between product variations and decisions to buy.

H3 : It is acknowledged that factors affecting product variation have a major and positive influence on consumers' purchasing decisions.

Brand image mediates the effect of promotion on purchasing decisions.

This study's findings indicate that brand image does not mediate the impact of sales promotions on consumers' decisions to buy. Table 8 shows that there is a t – statistic < 1.960 and a p – value of 0.077 > 0.5. The p – value is 0.077 and the t – statistic is 1.773. Therefore, it can be said that among Solo Raya students, the brand image as unable to mediate the effect of promotion

on decisions to purchase Herborist products. The study's findings run sounter to research by (Yoseph Pangestu B, 2019), wich indicates that when brand image acts do not support rigorous research, promotions have a positive and significant impact on purchase decisions.

H4 : The idea that brand preception influences how consumers decide what to buy is reject.

Brand image mediates the effect of product quality on purchasing decisions.

According to this study, brand image can act as a mediating variable to increase the impact of product quality on purchasing decisions . The p – value of 0.002 and the t – statistic value of 3.134 in Table 8 demonstrate this, showing that the p – value of 0.002 is less than 0.05 and the t – statistic is greater than 1.960. This indicates that among Solo Raya studens, the brand image variable has the ability to increase the impact of product quality variables on decisions about which Herborist products to buy. According to research (Ni Made Dwi S, 2019), brand image has the power to moderate the impact of product quality variables on purchasing decisions.

H5 : It is acknowledged that brand image influences consumer decisions by mediating the impact of product quality.

Brand image mediated the effect of product variations on purchasing decisions.

It is evident from the study's table of analysis result that brand image has the power to mediate decisions about what to buy when product variations are present. Table 8 demonstrates this claim with a p – value of 0.017 and a t – statistic of 2.396, which show that the p – value is less than 0.05, specifically 0.017, and the t – statistic is greater than 1.960. The indicates that among Solo Raya students, the brand image variable mediates the impact of product variations on decisions to buy Herborist products. The study's findings are consistent with research (Yessi Lestari, 2017), which found that brand image can act as a mediating variable to increase the impact of product variations on decisions made about what to buy.

H6 : It is acknowledged that brand image modifies how product variations affect consumers' decisions to buy.

CONCLUSION

The analysis's findings indicate that : 1) Promotional factors have a positive and significant impact on consumers' decisions to buy. 2) purchase decisions are positively and significantly impacted by product quality variables. 3) Variables related to product variety have a favorable and significant impact on purchasing decisions. 4) Brand image variables have not been proven to mediate the influence between promotional variables on purchasing decisions. 5) Brand image mediation is able to strengthen product quality on purchasing ecisions positively and significantly. 6) Brand image mediation is able to strengthen product variations on purchasing decisions positively and significantly.

The author realizes that there are several limitations that can be refined by future researchers. There are limitatioan in generalizing the research result, because this research is limited to Herborist product with a population of student in the Greater Solo area. Furthermore, the variables of promotion, product variety, and quality on purchasing decisions mediated by brand image are the only ones examed in this study. Meanwhile, to determine the purchase decision there are many other variables that can be used.

The following are suggestions given by author in order to improve future research: 1) PT Victoria Care Indonesia, especially for Herborist products, must increase promotion through the brand image of the product itself so that it can increase purchasing power and product purchasing decisions. This can be done by building a brand image to create purchasing power and purchasing decisions. 2) For future researchers, it is hoped that the data used will be more complex in order to get better results. Future researchers can also use more and renewable variables to provide the results of purchasing decisions for Herborist products more broadly.

REFERENCE

Achmad, N. (2022). Workshop Statistick Milenial. Jasmine.

- Anuraga. (2015). Pengaruh Produk, Harga, Promosi, dan Merek terhadap Keputusan Pembelian Ulang. *Jurnal Riset Manajemen*, 4(10), 118.
- Dewi Setyorini, G. R. (2021). Pengaruh Produk, Influencer dan Strategi Pengaruh Promosi media Sosial Terhadap Keputusan pembelian Herborist. *Journal Doktor Manajemen*, 78-87.
- Ghozali. (2008). *Structural Equation Modeling Metode Alternatif dengan Partial Least Square*. Semarang: Badan Penerbit Undip.
- Haikal Aulia R, A. S. (2019). The Effect of Promotion and Product Quality Through Purchase Decision On The Customer Satisfaction og Bohemian PROJECT.ID Products. International Journal of Engineering Technologies and Management Research, 55-72.
- Ni Made Dwi S, I. (2019). Peran Brand Image Dalam Memediasi Pengeruh Kualitas Produk Terhadap Keputusan pembelian. *E-Journal manajemen Universitas Udayana*, 1-20.
- Robi Andriansyah H, H. L. (2020). Pengaruh Penjualan Terhadap Keputusan Pembelian Produk Indihome Tahun 2020 (Studi Kasus : Telkom Cijawura). *e-Proceeding of Applied Science*, 1341-1346.
- Sirly Amry, D. P. (2019). Influence Lifestyle, Consumer Ethnocentrism, Product Quality On Purchase Decision Through Purchase Intention. *Management Analysis Journal*, 26-38.
- (n.d.). www.marketbisnis.com.
- Yessi Lestari, H. S. (2017). Pengaruh Atmosfer Kafe, Daya Tarik Promosi dan Variasi Produk Terhadap Keputusan Pembelian Dengan Brand Image Sebagai Variabel Intervening. *Diponegoro Journal of Management*, 1-10.

The Influence Of Promotion, Product Quality And Product Variety On Purchasing Decisions With Brand Image As An Intervening Variable For Herborist Product (Case Study of Solo Raya Student)

Yoseph Pangestu B, A. B. (2019). Pengaruh Promosi Dan Kualitas Produk Terhadap Keputusan Pembelian Dengan Brand Image Sebagai Variabel Intervening. *Diponegoro Journal Of Social and Politic, 1-10,* 1-10.