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THE EFFECT OF PRODUCT QUALITY, PRICE FAIRNESS, BRAND IMAGE ON PURCHASE INTENTION IN HONDA BRV IN JAKARTA

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ABSTRACT

This research describes the very rapid growth of transportation in Jakarta. But from the rapid growth of transportation there are car brands whose sales have declined from year to year. The purpose of this research is to assess the relationship between product quality, price fairness, brand image and purchase intention. Respondents from this research are the people of Jakarta who buy Honda BRV cars. Data analysis was performed using multiple linear regression models. The results showed that Product Quality, Price Fairness, and Brand Image proved to have a significant positive effect on Purchase Intention on Honda BRV cars in Jakarta. For this reason, this research is expected to be the next research development.

Keywords: Product Quality, Price Fairness, Brand Image and Purchase Intention.

1. INTRODUCTION

The growth of the automotive industry, especially cars in Indonesia, has increased steadily. Based on data compiled from the Association of Indonesian Motor Vehicles (Gaikindo), in 2018 car production in Indonesia reached 1,343,743 units where this figure grew 10.4% from 2017 with production figures reaching 1,217,518 units. As for 2019, production figures from January to March 2019 reached 314,901 units.

In Indonesia, the type of SUV that is in high demand is the Low SUV (LSUV) type. Based on data from Gaikindo, the largest sales in the LSUV car category in 2018 was won by Toyota Rush with sales of 53,145 units, followed by Daihatsu Terios and Honda BRV with 31,453 units and 9,140 units respectively. From these data it can be seen that the Toyota Rush is the best-selling model and is in great demand by the Indonesian people for the low SUV category. But the thing that attracts attention is the sales of Honda BRV which continues to decline from year to year. From the 2016-2019 sales data, it can be seen that Toyota Rush and Daihatsu Terios have sales charts that continue to increase. But Honda BRV sales continue to decline, this interests the writer to analyze why Honda BRV sales continue to decline.

Many factors influence Honda BRV sales, including product quality, price fairness, brand image. Therefore, this study will discuss the effect of product quality, price, brand image on purchase intention. So that it can produce solutions to the phenomena that occur, namely the decline in sales of Honda BRV from year to year.

2. THEORITICAL BASIS

2.1 Product Quality

According to Koetler & Armstrong (2012) product quality is the ability of a product to demonstrate its function, that includes overall durability, reliability, accuracy, ease of operation and product repairs as well as other product attributes. There are several dimensions of product quality used, which are based on the dimensions described by Garvin (1984), namely: Performance, Reliability, Features, Conformance, Durability, Ease of improvement (Serviceability), Aesthetics (Aesthetic), and Perceived Quality.

2.2 Price Fairness

According to Ailawadi, Luan, Neslin and Taylor (2011) explained that price fairness is a subjective assessment of consumers about the price offered is reasonable, has a clear reason, or is acceptable. Diller (2008) mentions that there are 7 (seven) components of price fairness, the seven components are: Distributive fairness, Price Reliability, Pricing Honesty, Consistency, The right of influence and co-determination, Respect and regard for the partners and Fair Dealing.

2.3 Brand Image

Brand Image is defined as the perception that consumers associate with a particular brand (Keller, 1993). Brand image is defined by Aaker (2009) that image is a series of brand involvement that is stored in the memory of consumers. Each of these three dimensions is a different construct but is interrelated with one another (Keller, 1993). The three dimensions of this brand image are: Cognitive Associations: Mystery, Emotional Associations: Intimacy, Sensory Association: Sensuality.

2.4 Purchase Intention

Purchase intention is the interest of a consumer to buy a particular product. The greater one's interest means the greater the probability of someone to buy a product. Conversely, low interest does not mean that someone will not buy a certain product (Wang & Tsai, 2014).

3. RESEARCH HYPOTHESIS & RESEARCH MODEL

Based on the theory described above, a toeri framework can be made according to the Figure below.

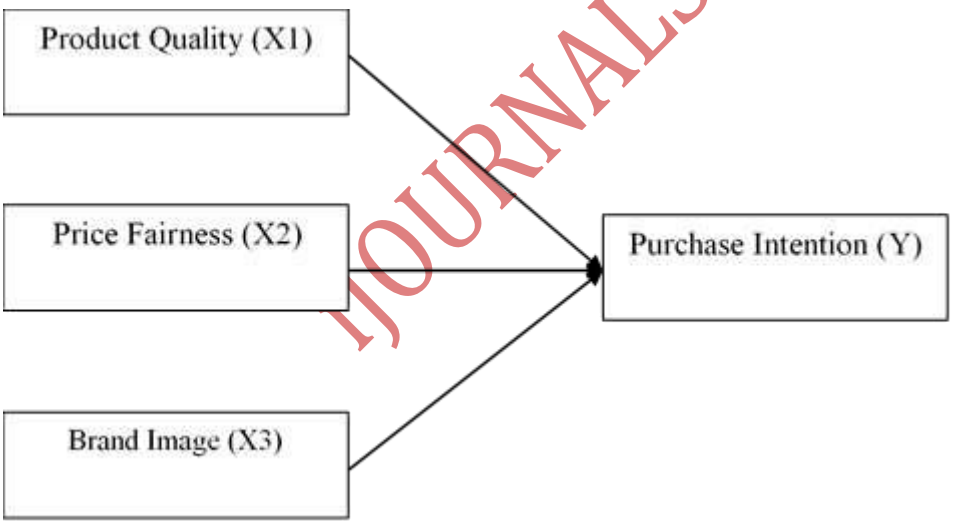


Fig 1: Theoritical Framework

4. HYPOTHESIS

Based on the theoretical framework that has been made, the proposed hypothesis is as follows :

H1: There is a positive influence between *product quality* on *purchase intention*.

H2: There is a positive influence between *price fairness* on *purchase intention*.

H3: There is a positive influence between *brand image* on *purchase intention*.

5. RESEARCH METHODS

This type of research is an associative type of research using quantitative research methods, which aims to determine the effect of product quality, price fairness, brand image variables on purchase intention on Honda BRV. Data sources used are primary and secondary data. Primary data were obtained based on distributing questionnaires directly to respondents. Whereas for secondary data obtained by studying theories sourced from books, journals, internet and other supporters.

The sampling method in this study uses a purposive sampling technique which is a form of non-probability sampling based on consideration of certain criteria (Hermawan and Kristaung, 2014). Criteria for respondents

needed to be able to answer the questionnaire provided are consumers who have bought a Honda BRV car at least once in the last 3 years. Determination of the number of samples In this study using the reference theory of Zikmund (2009), with a = 0.05 and assuming a 50% chance of occurrence, then obtained a sample of 196 samples in this study using a sample of 200 samples, with the expectation of more accurate research results . The method used in this study is the method of multiple linear regression analysis with the help of the SPSS program.

6. RESULTS & DISCUSSION

Before doing multiple regression testing and hypotheses. The researcher first tests the classical research instruments and assumptions. The instrument test is carried out to find out whether the quality of the instrument has fulfilled the requirements used, this test consists of validity and reliability tests. Next, the classic assumption test is used to obtain an estimated value or an unbiased coefficient value from the regression model. Next is the presentation of the test instruments and classic assumptions in the regression model.

7. TEST RESEARCH INSTRUMENTS

A good instrument in addition to valid must also be reliable, meaning reliable. In this study the instrument was carried out to 200 respondents. The results of the validity and reliability tests can be seen as follows.

Table 1. Validity and Reliability Test Results

Variable	Questionnaire Items	r Count	r Table	Cronbach Alpha	Conclusion
Product Quality	PQ_1	0,696	0,138	0,852	Valid and Reliable
	PQ_2	0,662	0,138		
	PQ_3	0,704	0,138		
	PQ_4	0,729	0,138		
	PQ_5	0,675	0,138		
	PQ_6	0,768	0,138		
	PQ_7	0,683	0,138		
	PQ_8	0,711	0,138		
Price Fairness	PF_1	0,831	0,138	0,921	Valid and Reliable
	PF_2	0,715	0,138		
	PF_3	0,853	0,138		
	PF_4	0,8	0,13		
		87	8		
	PF_5	0,833	0,138		
	PF_6	0,800	0,138		
	PF_7	0,745	0,138		
	PF_8	0,785	0,138		
Brand Image	BI_1	0,692	0,138	0,658	Valid and Reliable
	BI_2	0,707	0,138		
	BI_3	0,580	0,138		
	BI_4	0,481	0,138		
	BI_5	0,596	0,138		
	BI_6	0,646	0,138		
Purchase Intention	PI_1	0,831	0,138	0,854	Valid and Reliable
	PI_2	0,711	0,138		
	PI_3	0,742	0,138		
	PI_4	0,820	0,138		
	PI_5	0,782	0,138		
	PI_6	0,700	0,138		

Based on the table above shows that all variables meet the validity requirements where all the indicator questions get r count greater than r table (r count> 0.138) and the Cronbach alpha value of each variable is greater than 0.6.

8. CLASSIC ASSUMPTION TEST

1. Normality Test

The normality test aims to test whether in the regression model, confounding or residual variables have a normal distribution. The easiest way to see residual normality is the Kolmogrov-Smirnov (K-S) non-parametric statistical test. Provided that if the significant value in the KS test is greater than 0.05, the data can be said to have a normal distribution. The other Normality test is the Histogram Normality test provided that the normal line (normal curve) must form a bell and the Normal P-Plot test with the stipulation that the points (plots) spread along the diagonal lines so that they can be said to have normal distribution. The results of the normality test can be seen in the table below.

Table 2. Kolmogorov Smirnov Statistical Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		200
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	,31815078
Most Extreme Differences	Absolute	,054
	Positive	,048
	Negative	-,054
Test Statistic		,054
Asymp. Sig. (2-tailed)		,200[c,d]

a. Test distribution is Normal.

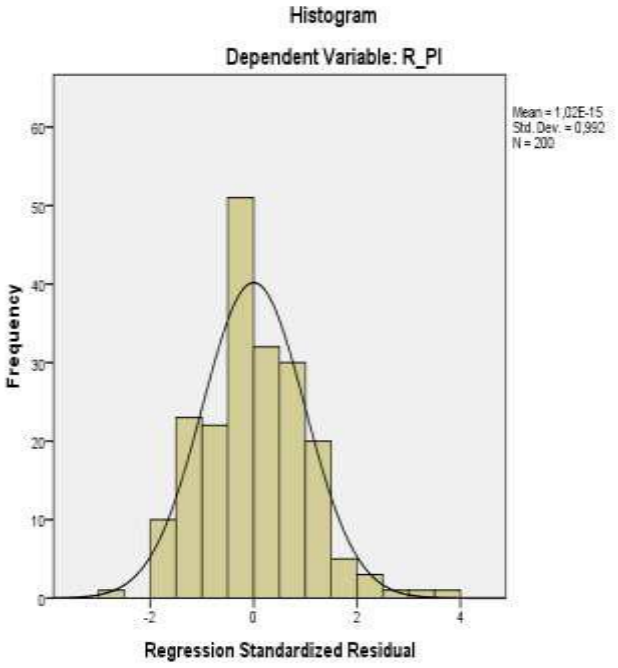
b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

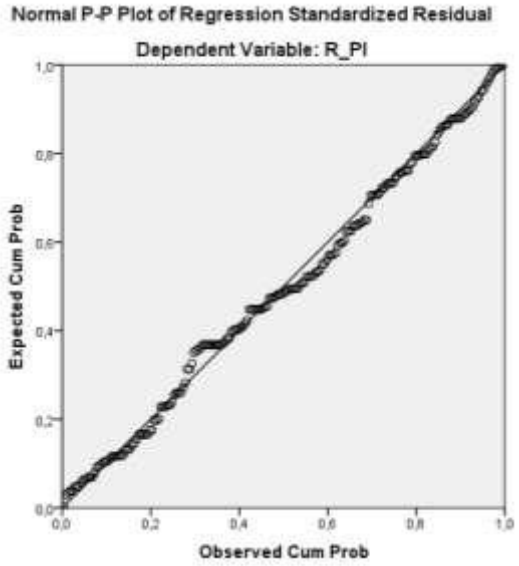
Source: SPSS 24 Data Processing Results (2019)

Based on the table above, it can be seen that the Significance value (Sig.) Obtained is 0.200> alpha 0.05. Thus it can be interpreted that the data in this study are normally distributed. These results are confirmed by the graphical test as follows.



Source: SPSS 24 Data Processing Results (2019)
Image 2 Histogram Normality Test

The picture of normality test results with a Histogram shows that the normal line (normal curve) forms a bell. This means that the data in this study are normally distributed.



Source: SPSS 24 Data Processing Results (2019)
Image 2 Histogram Normality Test

Histogram normality test results are strengthened by the results of the Normal P-Plot test, in which the points (plots) spread along the diagonal line. That is, the data in this study are normally distributed.

2. Multicollinearity Test

Multicollinearity test aims to test whether the regression model found a correlation between independent variables. A good regression model should not occur correlation between independent variables (Ghozali, 2013: 105). The basis for decision making in a model has multiplicity is that if the VIF (Variance Inflation factor) <10 and tolerance value> 0.1 then there is no multicollinearity between the independent variables in the model (Ghozali, 2013: 106). Multicollinearity test results are as follows:

Table 3. Multicollinearity Test Results

Variable	Tolerance	VIF
Product Quality	0,271	3,686
Price Fairness	0,291	3,434
Brand Image	0,439	2,280

Source: SPSS 24 Data Processing Results (2019)

Based on the multicollinearity test results, it is known that the Tolerance value of each variable> 0.10 and VIF value <10. This means that the three variables do not occur multicollinearity.

3. Heteroscedasticity Test

Heterokesdasticity test aims to test whether in the regression model there is an unequal variance from the residuals of one observation to another (Ghozali, 2013: 139). The method used for is the Glejser method. The Glejser test proposes to regress absolute residual values on the independent variables (Ghozali, 2013: 143). If from the Glejser test it can be found that there are no independent variables that are statistically significant

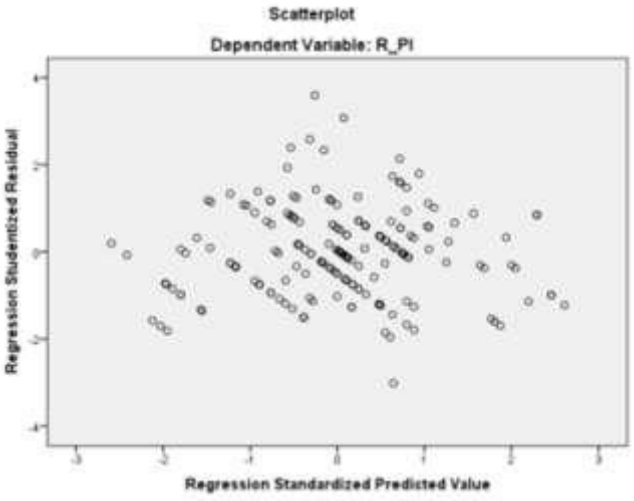
influence the dependent variable absolute value of Ut (AbsUt) and the probability of significance above the 5 percent confidence level can be concluded the regression model does not contain heteroscedasticity (Ghozali, 2013: 143). Heteroscedity test results can be seen in the following table.

Table 4. Heteroscedasticity Test Results

Variable	Significant
Product Quality	0,239
Price Fairness	0,559
Brand Image	0,205

Source: SPSS 24 Data Processing Results (2019)

Based on heteroscedasticity test using the Glejser test, it shows that the three variables are free from heteroscedasticity problems, because the independent variables namely Product Quality, Price Fairness, and Brand Image have significant values> 0.05.



Source: SPSS 24 Data Processing Results (2019)
Image 3 Heteroscedasticity Test with Scatterplot

Heteroscedasticity test results using Scatterplot, it can be seen that the points (plot) spread below the point 0 (zero) and above the point 0 (zero). This means that the data in this study did not occur heteroscedasticity.

9. MULTIPLE REGRESSION ANALYSIS

Table 5. Multiple Regression Test Results

Variable	Beta
Constant	-0,039
Product Quality	0,594
Price Fairness	0,174
Brand Image	0,232

Based on the test output above, the regression equation can be made as follows:

PI = -0,039 + 0,594PQ + 0,174PF + 0,232BI + e

Constant value (a) = -0,039; which states that if Product Quality, Price Fairness, and Brand Image does not exist or has a value of 0, then Purchase Intention will decrease by -0,039. Meanwhile, the beta coefficient value for each variable gets a positive value which means that if there is an increase in the Product Quality, Price Fairness, and Brand Image variables, it will have an impact on increasing Purchase Intention on Honda BRV cars in Jakarta.

10. HYPOTHESIS TESTING

Partial hypothesis testing with t-test is used to determine whether the independent variable is significant or not to the dependent variable individually by comparing t-counts with t-tables at a significance level of 5% ($\alpha = 0.05$, if the significant value is smaller than the level error of 5% (sig. <0.05) then Ho is rejected.The results of the test are summarized in the following table.

Table 6. Partial Hypothesis Test Results (t Test)

Hypothesis	t count	Significant	Conclusion
Product Quality → Purchase Intention	6,740	0,000	H1 accepted
Price Fairness → Purchase Intention	2,379	0,018	H2 accepted
Brand Image → Purchase Intention	3,218	0,002	H3 accepted

Source: SPSS 24 Data Processing Results (2019)

Based on Table 6 above, it can be explained that each independent variable obtains a value of t arithmetic greater than t table (1.972) and a significant value of less than 0.05. Thus these three hypotheses are accepted. These results indicate that Product Quality, Price Fairness, and Brand Image partially have a significant effect on Purchase Intention on Honda BRV cars in Jakarta.

The F test in this study aims to determine whether the Product Quality, Price Fairness, and Brand Image variables together influence the Purchase Intention. The basis for decision making is based on the significance value, if the calculated F value is greater than the F table or significantly smaller than the error rate of 5% (sig. <0.05) then the hypothesis is accepted. The results of testing the hypothesis with the F test can be seen in Table 7 below.

Table 7. Simultaneous Hypothesis Test Results (Test F)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	43,853	3	14,618	142,237	,000[b]
	Residual	20,143	196	,103		
	Total	63,996	199			

a. Dependent Variable: R_PI

b. Predictors: (Constant), R_BI, R_PF, R_PQ

The results of the simultaneous hypothesis test or F test produce an F-calculated value of 142.237> 3.041 with a significant value (sig.) Of 0.000 <0.05. Thus Ho was rejected in this study and Ha was accepted. It can be concluded that the Product Quality, Price Fairness, and Brand Image variables are proven to jointly have a significant effect on Purchase Intention on a Honda BRV car in Jakarta.

Furthermore, the results of the coefficient of determination test are carried out to determine the magnitude of the effect simultaneously between the independent variables on the dependent variable, this is indicated by the magnitude of the coefficient of determination (R2). The results of testing the coefficient of determination in this study can be seen in Table 8 below.

Table 8. Determination Coefficient Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,828[a]	,685	,680	,32058

a. Predictors: (Constant), R_BI, R_PF, R_PQ

b. Dependent Variable: R_PI

Based on the table above, the coefficient of determination test results obtained an R-Square value of 0.685 or 68.5%. This means that Product Quality (R_PQ), Price Fairness (R_PF), and Brand Image (R_BI) together contribute to Purchase Intention (R_PI) by 68.5%, while the remaining 31.5% is influenced by other variables outside the model this research.

11. DISCUSSION OF RESEARCH RESULTS

Hypothesis testing presented in this study shows that all hypotheses tested using the multiple regression analysis method, indicate that all hypotheses were accepted. The following is a discussion of each of these hypotheses.

Effect of Product Quality on Purchase Intention

The results of testing the first hypothesis indicate that Product Quality is proven to have a significant positive effect on Purchase Intention. This shows that the higher the Product Quality, the higher the Purchase Intention on a Honda BRV car in Jakarta. The results of this study support Chi et al. (2008) conclude that if a product has better quality, customers will be more likely to buy it. Their research emphasizes that product quality has a positive impact on customer purchase intentions.

Effect of Price Fairness on Purchase Intention

The results of the first hypothesis testing showed that Price Fairness was proven to have a significant positive effect on Purchase Intention. This shows that the higher the Price Fairness, the higher the Purchase Intention on a Honda BRV car in Jakarta. These results support previous research conducted by Herrmann, Lan, Monroe, and Huber (2007) concluding that customer satisfaction is indirectly influenced by perceived price fairness.

The Effect of Brand Image on Purchase Intention

The results of testing the first hypothesis indicate that Brand Image is proven to have a significant positive effect on Purchase Intention. This shows that the higher the Brand Image, the higher the Purchase Intention on a Honda BRV car in Jakarta. These results support Wang and Yang (2010) who show that brand image plays a role in influencing purchase intention.

The Effect of Product Quality, Price Fairness, and Brand Image together on Purchase Intention

Based on the results of simultaneous hypothesis testing, Product Quality, Price Fairness, and Brand Image variables together proved to have a significant effect on Purchase Intention on Honda BRV cars in Jakarta. Variable Product Quality, Price Fairness and Brand Image together give an effect of 68.5% on Purchase Intention on a Honda BRV car in Jakarta. These results indicate that if Product Quality, Price Fairness, and Brand Image are improved together, Purchase Intention on Honda BRV cars in Jakarta will increase. Conversely, if Product Quality, Price Fairness and Brand Image are lower, Purchase Intention on Honda BRV cars in Jakarta will also decrease.

12. CONCLUSIONS AND SUGGESTIONS

Conclusion

The conclusion of this research is:

1. Product Quality is proven to have a significant positive effect on Purchase Intention on Honda BRV cars in Jakarta.

2. Price Fairness is proven to have a significant positive effect on Purchase Intention on Honda BRV cars in Jakarta.
3. Brand Image is proven to have a significant positive effect on Purchase Intention on Honda BRV cars in Jakarta.
4. Product Quality, Price Fairness, and Brand Image proved to have a significant positive effect on Purchase Intention on Honda BRV cars in Jakarta.

Suggestion

Suggestions in this research are:

1. To increase customer purchase intentions for Hondra BRV cars in Jakarta, it is recommended to management to pay attention to several factors including product quality, price reasonableness and brand image. Because this has proven to have an effect on increasing customer purchase intentions.

For previous research, it is suggested to add other independent variables that might influence the customer's purchase intention such as promotion and place / distributor. In addition, use other methods such as path analysis or SEM

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