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Product Quality and Advertisement Effects on Purchasing Decision Considering to Brand Image

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Abstract— **This study aims to examine the effect of product quality and advertisement on customer's purchasing decision considering to brand image as an intervening variable for dines and restaurants having negative-connoted names in Surabaya. It was qualitative research conducted into two stages; first was by having validity test and reliability test and second was by distributing questionnaires. Population was consumers from several dine, namely: mie setan, pentol gila, rawon setan, nasi goreng jancuk, and mie rampok; consisting of 160 people. Analysis was conducted using Structural Equation Modeling (SEM) with software AMOS 25. Results showed that there was significant relationship between product quality and advertisement on consumers' purchase considering brand image as intervening variable.**

Keywords— *product quality; advertisement; brand image; purchasing decision*

I. INTRODUCTION

Rapid development in the culinary world happens in many countries, one of which is Indonesia. Culinary world highly contributed to the national creative industry for about 41.4% or around 922 trillion IDR of total economic contribution in 2016 (Bekraf). According to Bekraf, among 16 sub-sectors, culinary sub-sector is around 68% or considered the highest one. It proves that Indonesian culinary becomes one of the driving factors of economy, so it is not surprising if many culinary spots emerge. This condition drives more competitions between culinary business actors. Growth in the middle class community, improvement in economic projection, and people' increased purchasing power affect on developing the processed food and beverage industries in Indonesia. To win the competition, the business owners are required to continually innovate.

The recent behaviors of customers push the business owners to build an understanding to customers especially on what they want and what they likes (tastes), so the owners will possibly produce products to meet their needs.

The unique concept developed in the business world is a part of marketing strategies. In addition to a unique concept, ingenuity and initial strategy should be properly carried out by business actors. Determining brand is considered as strategy as well, because people will be recognizable and attract the public's interest in buying. For company, brand is one of the valuable assets owned. Nielson's Product New Global Innovation Survey found that 59% of consumers prefer to buy new products from brands that are familiar to them. Building a brand is a challenge for business actors especially when they have to compete with popular brands to find loyal customers. [1] mentioned that the name of the destination, logo and tagline were closely related to the brand. In addition, [2] argued that how important of brand builds corporate image.

A perception and trust of customer to certain brand is a brand image [3] defined brand image as a set of trusts, ideas, and impressions owned by a person towards a brand, therefore attitudes and actions of consumers towards a brand are largely determined by the brand image. According to [4] brand image was on how consumers and others understand or accept a brand. Brand image was a consumer's understanding of the brand as a whole, consumer confidence in a particular brand, and how consumers perceive a brand. [5] stated that brand image affects consumer choices in which was similarly mentioned by [6] and [7] that there was certain relationship between brand image and other factors, namely innovation and purchasing decisions.

Marketing mix is factor influencing consumer behavior to buy an item. The main stimulation is the product and its components, so products' characteristics and attributes are possibly known by consumers. Types of product attributes are product quality, product features, product style and design, and brands [8].

Product attribute components are the most considered factor for consumers in buying certain product. Purchasing decisions occurs when product quality is good [8]. Product is something offered to market to be considered, owned, used, or consumed, so it satisfies the needs [9]. According to [10] product quality was a characteristic of a product or service that is capable in bearing promises to satisfy customer needs. Referring to the product quality of restaurant, [11] argued that serving food was an art; and its taste should be delicious. He added that the food sold in the restaurant should be clean and tasty, and healthy. In addition [12] added that restaurant service quality was determined by its performance, additional features, reliability, conformation, durability, serviceability, and aesthetics. The results regarding to relationship between product quality and brand image were similar to research

conducted by [13], [14], and [15] who found that there was a positive influence on product quality to brand image.

Entering new market, marketers need other strategies aside from product qualities. It is possibly done through marketing communication mix. Products will lose it stand on market if there is no effective marketing communication. One of marketing communication strategies is by advertisement. Advertisement is a form of paid communication designed to influence people acceptance, so it inspires someone to do something at present or in the future [16]. According to [17] advertisement was all paid forms of non personal percentage and promotion of ideas, goods or services with clear sponsor through print media (newspapers and magazines), broadcast media (radio and television), network media (telephone, cable, satellite, wireless), and electronic media (voice recordings, video recordings, CD-ROMs, website pages), and media exhibits (billboards, road signs and posters). Advertisement can be used effectively to build long-term product information as well as trigger immediate purchases [8]. In this study, advertisements used were poster, Instagram and Facebook. This study was in line with study conducted by [18] and [19].

Business actors should have ability to control good brands in consumers' minds [8]; one of ways to make it is by developing a strong brand image that influences consumer behavior in determining choices. A good brand image will have a positive influence on purchasing decisions, the better the company's brand image is, the higher of the consumer decision-making level in buying results. [20] [7] and [21] mentioned that creating a brand image has a positive and significant influence on purchasing decisions .

Creating company's value and identity is an important topic in consumer research. Many theories mentioned that creating identity is closely related to positive things, beautiful words, and easy to understand, so it is easily embedded in customers' mind. [22] mentioned that it is important to build a brand identity; as when the identity brand is strong, customers will repeatedly purchase the products. Similarly mentioned by [23] brand identity plays an important role in the customer experience of the brand. Brand's strength seemingly becomes a major in today's culinary and restaurant businesses. For restaurant business, the brand name and what it represents are important assets. In restaurants, increasing competitive advantage occurs if the brand is properly managed [24].

Of the many theories, many argued that a positive brand was always in customers' mind. Many studies found that existing brands tend to give positive impression. However, the phenomenon occur reverses to this existing theory. In Surabaya, currently many restaurants have unique and interesting names. Some even have negative connotations such as rawon setan (devil), ayam geprek mbok judes (fierce),nasi goreng jancuk (local swear), bebek mercon (boom), mie akhirat (hell), mie pecun (prostitute), mie setan (hell devil), mie rampok (robber), pentol gila (crazy), dim sum mbeldos (exploded), chicken nelongso (poor), bakso klenger (knock-out), and others. These names indicate business owners use negative-connotation name to brand their product (restaurant) to attract customers' attention. This was effectively proved in attracting customers' attention, especially teenage consumers.

It is from a number of teenager customers who are interested and curious to come at restaurant. However, teenage customers have lack points as they are easily affected, do not think economically, and are unrealistic [25].

The phenomenon makes researchers interested to conduct research on the influence of product quality and advertisement on brand image and consumer purchasing decisions. The objects of the study were restaurants with unique names (those names have negative connotation in Surabaya), such as Mie Setan (hell devil), Pentol Gila (crazy), Rawon Setan (devil), Nasi goreng Jancuk (local swear), and Mie Rampok (robber). Those restaurants were selected because not only the restaurants named were negative connotated, but their menus (food and beverages) also have negative connotation names. Another reason was these restaurants are well-known and have a number of customers. This study aims to examine the effect of product quality and advertisement on customers' purchase through brand image as an intervening variable.

These were hypotheses of this study:

- H1: there was significant-positive effect on product quality to brand image.

- H2: there was significant-positive effect on advertisement to brand image.

- H3: there was significant-positive effect on product quality to customers' purchase.

- H4: there was significant-positive effect on advertisement to customers' purchase.

- H5: there was significant-positive effect on brand image to customers' purchase.

- H6: there was significant-positive effect on product quality to customers' purchasing decision through brand image as an intervening variable.

- H7: there was significant-positive effect on advertisement to customers' purchasing decision through brand image as an intervening variable.

II. RESEARCH METHODS

A. Population and Sampling

Population was all consumers who visited and purchased products at selected restaurants (Mie Setan, Pentol Gila, Rawon Setan, Nasi Goreng Jancuk and Mie Rampok) in Surabaya.

Sampling used was accidental sampling by selecting respondents who accidentally (unintentionally) met with the researchers. As 100-200 respondents were needed for Maximum Likelihood Estimation (MLE) technique, 150 were selected for this research and 10 were added to avoid damage questionnaires or 5% error. In which 32 respondents were taken from each selected restaurants.

B. Research Variabel

Product quality is all characteristics of products or services relating to the ability of selected restaurants (Mie Setan,

Pentol Gila, Rawon Setan, Nasi Goreng Jancuk and Mie Rampok) to meet the prerequisite needs. Indicators used referred to[14], and [26].

Advertisement is communication form consisting of information about best product quality of selected restaurants (Mie Setan, Pentol Gila, Rawon Setan, Nasi Goreng Jancuk and Mie Rampok) to create awareness and stimulate consumers' mind to buy. Ad indicators use statements that can cause attention and interest.

C Brand image is trust and perception created in customers' mind especially related to selected restaurant (Mie Setan, Pentol Gila, Rawon Setan, Nasi Goreng Jancuk and Mie Rampok). Indicators used referred to [27].

Purchasing decision is the decision made by customer after round of consideration process and finalized into an action. Indicators used referred to [27].

C. Data analysis Technique

Structural Equation Model (SEM) with AMOS software was used to analyze the data.

III. RESULT AND DISCUSSION

A. Result

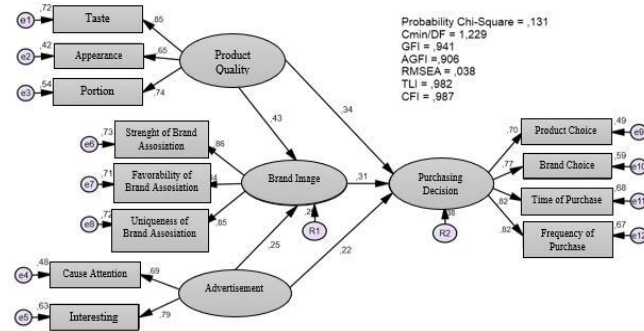Based on the analysis, it resulted as:

Fig. 1. SEM Model.

From assumption test, normality test resulted on univariate and multivariate outlier fulfilling the model requirement.

TABLE I. GOODNESS OF FIT AND CUT OFF VALUE STRUCTURAL MODEL

Criteria	Model Test Result	Crisis	Information
Probabilitas X^2 Chi square	0,131	≥ 0,05	Fit
Cmin/DF	1,229	≤ 2,00	Fit
RMSEA	0,038	≤ 0,08	Fit
GFI	0,941	≥ 0,90	Fit
AGFI	0,906	≥ 0,90	Fit
TLI	0,982	≥ 0,95	Fit
CFI	0,987	≥ 0,95	Fit

Table I shows the further analysis through Goodness of Fit by comparing Cut-Off Value model Structural to result of model testing.

Result shows that Goodness of Fit shows the considering index recommended. It was followed by reliability test of SEM model and hypotheses.

TABLE II. RESEARCH RELIABILITY VARIABLES CONSTRUCT

Variabel	Indikator	Factor Loading (FL)	(FL)²	Error (1-FL²)	Construct Reliability
Product Quality (X1)	X1.1	0,851	0,724	0,276	0,791
	X1.2	0,647	0,419	0,581	
	X1.3	0,736	0,542	0,458	
Advertisement (X2)	X2.1	0,695	0,483	0,517	0,712
	X2.2	0,791	0,626	0,374	
Brand Image (Z)	Z.1	0,857	0,734	0,266	0,887
	Z.2	0,843	0,711	0,289	
	Z.3	0,850	0,723	0,278	
Purchasing Decision (Y)	Y.1	0,703	0,494	0,506	0,861
	Y.2	0,768	0,590	0,410	
	Y.3	0,822	0,676	0,324	
	Y.4	0,820	0,672	0,328	

Table II shows that product quality, advertisement, brand image, and purchasing decision has total construct reliability value more than 0.70 (> 0.70), meaning that those variables were reliable as model to be developed in this study.

TABLE III. HYPOTHESIS TEST RESULTS

Hyp	Causality Relationship			Std. Estimate	C.R.	P value	Information
H₁	Product Quality (X₁)	→	Brand Image (Z)	0,429	4,404	0,000	Significant
H₂	Advertisement (X₂)	→	Brand Image (Z)	0,251	2,532	0,011	Significant
H₃	Product Quality (X₁)	→	Purchasing Decision (Y)	0,344	3,256	0,001	Significant
H₄	Advertisement (X₂)	→	Purchasing Decision (Y)	0,221	2,236	0,025	Significant
H₅	Brand Image (Z)	→	Purchasing Decision (Y)	0,306	3,130	0,002	Significant

Table III shows that all variables have significant-positive effects. Sobel test was used to test indirect influence as seen at Table IV:

TABLE IV. THE RESULTS OF TESTING HYPOTHESIS OF INDIRECT INFLUENCES

Hip.	Causality Relationship	Std. Estimate	C.R.	P value	Information
H_6	Product Quality (X1) → Brand Image (Z) → Purchasing Decision (Y)	0,131	2,834	0,005	Significant
H_7	Advertisement (X2) → Brand Image (Z) → Purchasing Decision (Y)	0,077	2,880	0,004	Significant

Table IV shows that brand image is able to mediate product quality and advertisement to purchasing decisions.

B. Discussion

The results show that the variables of product quality, advertisement, brand image, and purchasing decision at selected restaurants (mie setan, pentol gila, rawon setan, nasi goreng jancuk and mie rampok) showed a significant positive effect. Based on data analysis, the biggest value for variable of product quality was seen at Nasi Goreng Jancuk restaurant due to its taste, interesting serving, and quantity.

Fig. 2. Product Quality Diagram

The biggest value for advertisement was at Mie Setan restaurant seen from frequent updates on its social media by uploading photos of new products and events as well as its signboard where the unique names of its menu written.
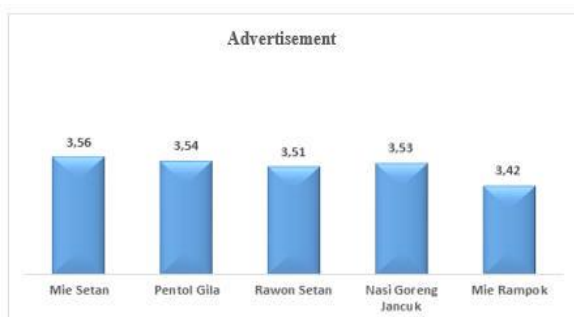

Fig. 3. Advertisement Diagram

The biggest value for brand image variable was at Mie Rampok restaurant, seen by the customers' responses. Aside from customer's statements, this restaurant has unique design

interior reflecting to its name as well as its servings accordingly reflect to its brand.
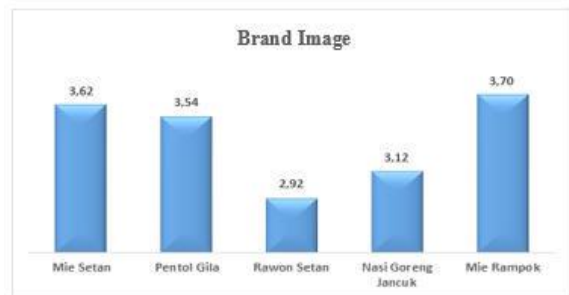

Fig. 4. Brand Image Diagram

The biggest value for purchasing decision variable was Mie Setan restaurant as it has many branches located in and out of Surabaya as well as a number of customer queue to buy its products. Besides, according to the respondent, it has the best products comparing to other similar restaurants.

Fig. 5. Purchasing Decision Diagram

The results indicated that all hypotheses were proved to have significant-positive effects both directly and indirectly. The biggest influence on product quality to purchasing decision was 0.429 where the indicators for product quality were proved to affect the brand image were similar to research conducted by [13], [14], and [15].

Variables that have the lowest level of significance are advertisements. Many respondents mentioned that online and offline advertisement (posters, Facebook and Instagram) are interesting, but more important part is whether any promotion is given to customers, inviting celebrity to endorse, and unique designs created in the restaurant; such as at Mie Setan Restaurant, it will be better if the restaurant is designed to its brand accordingly. The influence of advertising on brand image also corresponds to [18] and [19].

IV. CONCLUSION

Based on the analysis and hypotheses test, product quality, advertisement, and brand image had significant-positive effect on purchasing decisions. In conclusion, product quality and advertisement influence purchasing decisions through brand image directly or indirectly. Product quality of the restaurant will make consumers buy whether it is due to taste, appearance, and serving portion. Better product quality made

consumers assess the restaurant brand image, in which leading to future purchases. Likewise with advertisement, the better and more interesting advertisements are made by restaurant, the more interested consumers will visit the restaurant and make purchases.

Results obtained showed that product quality and advertisement affected the brand image and purchasing decisions. Thus, emphasizing product quality and advertisement was the correct marketing communication tool to influence purchasing decisions on a sustainable basis.

Therefore, it is advisable for restaurants to maintain their products quality by continuously innovating. Restaurant should carefully aware of customers' tastes and desires, so customers will keep in purchasing their products. Yet, advertisement becomes the less significant variable influencing brand image and purchasing decisions. Such as poster, consumers are not interested on the existing posters, so designing more interesting posters by adding more promotions and eye-catching pictures which representing the restaurant image will help customer to acknowledge the brand image.

This study has several limitations that will open opportunities for future research. For example, this study only takes on 4 variables, namely product quality, advertising, brand image and purchasing decisions. Therefore, further research can test different variables. In this study, the variables used were advertisement, Instagram and Facebook posters, it was possible to examine the next variables from poster, Instagram and Facebook. In addition, this research is only used for research in Surabaya, future research can be done in other areas with larger samples.

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