

## The Influence Of Product Prices, Brand Awareness, and Consumer Perceptions

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### ABSTRACT

This study examined the influence of product price, brand awareness, and consumer perceptions on purchasing decisions for UNIQLO products in Samarinda. The independent variables were product price, brand awareness, and consumer perception. The dependent variable in this study was purchase decisions. This study included 160 consumers of UNIQLO products in Samarinda. This study used quantitative methods to collect data through questionnaires. Data analysis in this research used SmartPLS 4.0. Hypothesis testing using the SEM-PLS approach was performed on the outer and inner models. The results of this research show that there is a positive and significant influence between product price and purchasing decisions and a positive and significant influence between brand awareness and purchasing decisions. There was no influence between consumer perceptions and purchasing decisions for UNIQLO products in Samarinda.

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## 1. Introduction

Over time, it is common for individuals to desire an aesthetically pleasing appearance. This includes adopting a dressing style that enhances self-confidence and conveys modern aesthetics. Consequently, the clothing and fashion industries have experienced rapid growth, with an array of models available ranging from casual to formal to semi-formal. People have come to understand that dressing well involves appearing fashionable and conveying social status. Within the realm of fashion, the textile industry uses the term 'fast fashion' to describe ready-to-wear garments that reflect a rapid shift in style over time.

The fashion industry is experiencing significant growth, as evidenced by the proliferation of retail outlets offering a diverse range of clothing in Indonesia, which suggests an increase in the demand for fashion products. This indicates that the people of Indonesia are increasingly discerning their pursuit of style by keeping up with the latest fashion trends. UNIQLO, a prominent Japanese fashion brand, is a testament to this trend.

UNIQLO is a casual clothing manufacturing and distribution company under the auspices of the Fast Retailing Co. Ltd., which aims to spread its products worldwide, including Indonesia. Currently, UNIQLO has more than 50 outlets throughout Indonesia. UNIQLO can develop its business by opening various branches throughout the world every year. By 2022, UNIQLO had opened 49 outlets in Indonesia and spread them across 21 cities. One of them is the province of East Kalimantan, where UNIQLO opened two outlets, namely Bigmall Samarinda, which opened as the 41st outlet on 10 September 2021 (Lavenia, 2021), and Pentacity Mall Balikpapan which officially opened as the 54th outlet on 4 November 2022 (Nindita Intan, 2022).

After the opening of UNIQLO in Samarinda, many people came to the UNIQLO outlet because UNIQLO is a well-known brand from Japan, whose presence in Samarinda is highly anticipated.

Consumers choose UNIQLO because the public knows it well. The most popular brand is that in which consumers choose to purchase from a wide selection. When making purchasing decisions, consumers usually consider brand, product price, and expectations regarding product quality. Currently, consumers choose products selectively. Consumer decisions to purchase a product are influenced by several factors such as the product's price, awareness of the product brand, and consumers' perception of the product.

One factor that many consumers consider before making a purchase is the product price. Thus, it helps to improve consumers' purchasing decisions. Thus, the Product Price should be determined by the company's market share in order to attract customers.

According to Utomo (2017), brand awareness plays a crucial role in consumers' purchasing decisions. When customers are familiar with a brand, they are more likely to purchase its products because they feel a sense of security and trust in doing business with a known entity. Therefore, brand awareness is essential for improving marketing strategies and increasing consumer loyalty. It is worth noting that consumers often find it more challenging to remember a brand than to introduce it to a new product. Hence, repeated exposure to a brand is necessary for consumers to remember and consider it in their purchase decisions.

Perception is one of the main factors influencing consumer behaviour (Kotler & Keller, 2016) regarding how a person makes decisions regarding what to buy. Competition between fashion brands is similar today; product quality is increasingly determined so that it is different from its competitors. Before making a purchase decision, consumers consider the product quality. When purchasing a product, consumers evaluate and review UNIQLO products with other brands in Samarinda City that are more suited to their needs.

## **2. Library Study**

### **2.1. Marketing Mix**

According to Kotler and Keller (2016), the term "marketing mix" refers to a group of variables that are under the control of the company and are used to achieve a certain level of sales in the target market; in other words, 4P (Product, Price, Place, Promotion) are internal factors that are within the scope of the company's control. According to Sadikin et al. (2020), the marketing mix, namely, producing and distributing goods and services that can satisfy customers, means controlling the components of the marketing mix to influence consumer decisions.

### **2.2. Brand**

According to Napitupulu et al. (2021), a brand is an identity - a name, symbol, sign, design, or a combination of these - that is applied to the goods and services of a person, group, or business to differentiate it from competitors' products. A brand can also be defined by the American Marketing Association (AMA) as a name, term, design, symbol, or other characteristic that differentiates one seller's product or service from another seller's product or service. A strong brand can attract customers to base their decisions on it when making a purchase. According to Firmansyah (2019), brand objectives include building brand awareness, creating emotional connections, differentiating products, creating credibility and trust, and motivating purchases.

### **2.3. Consumer Behavior**

According to Schiffman and Wisenblit (2015), the act of using, evaluating, and disposing of goods and services expected to meet one's needs is known as consumer behaviour. This includes the acquisition, utilisation, and discontinuation of certain goods, services, concepts, and encounters. According to Satriadi et al. (2021), the process through which a person or organisation goes through to find, buy, use, evaluate, and dispose of a good or service to meet their needs is known as consumer behaviour.

### **2.4. Purchase Decision**

A customer's decision to buy a product is an attitude toward choosing to buy something. This is one of the factors inherent in consumers, or it can also be called behavior (Kotler &

Keller, 2016). Firmansyah (2018) states that making a decision about what to buy is a problem-solving activity that involves choosing between various potential behaviors that are considered the most appropriate action. Tarigan & Siregar (2019) also state that deciding whether to purchase is an activity or consumer behavior. Based on these definitions, It can be said that the decision to buy something is a consumer activity that involves many factors to consider.

According to Salem (2018), Purchasing Decision Indicators are as follows: (1) Selected brands. Brand names influence purchasing decisions. (2) Interesting product information. Interesting and clear information can influence purchasing decisions. (3) Attractive product model. The type and model of an attractive product can influence purchasing decisions. (4) Ease of purchase. It is easy to buy this product, thereby increasing the opportunity to purchase. (5) Useful products. Consumers consider several factors when choosing the product to purchase. One of these benefits is the benefits of the product.

## **2.5. Product Price**

Kotler & Keller (2016) define price as the amount of money paid for a good or service or the value consumers exchange for goods or services. Zulaicha & Irawati (2016) also stated that sellers can differentiate themselves from competitors by the price of their products. Therefore, when deciding how to differentiate a product in marketing, price may be a consideration. Meanwhile, according to Suharno (2020), price is the total cost incurred to obtain desired goods or services. In a broad sense, product price is the sacrifice required to obtain a good or a service. Thus, from the above explanation, it can be said that product price is the only element of the marketing mix that generates revenue and allows customers to profit from the use of goods or services; the price of goods or services determines their value.

According to Kotler & Armstrong (2016), the Product Price indicator is the affordability of product prices, suitability of product prices to product quality, suitability of prices to benefits, and product prices according to the capabilities or competitiveness of product prices.

## **2.6. Brand Awareness**

Kotler & Keller (2016) state that Brand awareness, represented in brand recognition or recall, is the customer's capacity to recognize the brand in various circumstances. In addition, according to Permadi (2016), brand awareness is a consumer's capacity to identify and remember a brand as a component of a product that has an associated brand. Meanwhile, according to Van Thuy et al. (2022), brand awareness is the capacity of consumers to identify the existence of a brand in their thinking when purchasing it. Brand awareness is the main factor influencing consumer purchases, including brand recognition and brand recall. The ability of customers to recognise brands in various circumstances can be achieved through brand awareness and certain brand memories, according to the various definitions given. According to Kotler and Keller (2016), the Brand Awareness indicators are Unaware of Brand (not aware of the brand), Brand Recognition (brand recognition), Brand Recall (recall of the brand), and Top of Mind (top of mind).

## **2.7. Consumer Perception**

According to Kotler & Keller (2016), perception is the method a person uses to select, organize, and interpret data to produce images of a meaningful world. Apart from that, according to Firmansya (2018), consumer perception is a process that determines how a person organizes and interprets the stimuli they receive from their environment as meaningful. According to Juairiah et al. (2017), sensation is a process that leads to perception and sensation is what triggers an exciting emotional state. Product packaging, marketing, and media advertising can influence a person's perception of a product or brand. Thus, consumer perception is a process by which individuals can organise and interpret the input of stimuli they receive to give meaning to their environment.

Consumer perception indicators, according to Schiffman and Wisenblit (2015), are perceptual selection, perceptual organisation, and perceptual interpretation.

## **2.8. Relationship Between Variables**

### **2.8.1. The Influence of Product Prices on Purchasing Decisions**

As price is one of the four marketing mixes, it plays an important role in the promotion of goods and services. Kotler & Keller (2016) define price as the amount of money customers pay for a good or service or the value they exchange for ownership or profits. Product price is the main determinant of consumer decision making.

This is in line with the research by Pasaribu et al. (2019), who show that the price variable positively and significantly affects purchasing decisions at PT. Amerta Indah Outsuka Medan. This statement is also supported by Zulaicha and Irawati (2016), who show that product prices positively and significantly affect consumer purchasing decisions in Morning Bakery Batam.

H1: Product price influences the decision to purchase UNIQLO products in Samarinda

### **2.8.2. The Influence of Brand Awareness on Purchasing Decisions**

Brand awareness, which can be achieved through consumers' abilities to identify a brand under different conditions, is known as brand recognition and recall. According to Anita and Ardiansyah (2019), Brand Awareness influences consumer trust in a company before purchase.

Research by Arianty and Liyuwandari (2021) supports this finding, showing that brand awareness positively and significantly influences purchasing decisions for H&M Fashion products among Muhammadiyah University Sumatra students. The results of this study are also supported by Brestillian (2020), which shows that brand awareness has a positive and significant effect on online purchasing decisions in the Shopee marketplace.

H2: Brand awareness influences purchasing decisions for UNIQLO products in Samarinda

### **2.8.3. The Influence of Consumer Perceptions on Purchasing Decisions**

Their perceptions greatly influence consumer decision making. Therefore, businesses must be able to influence customers' opinions when buying a company's products. There are different viewpoints regarding the same object among people. According to Razak (2016), apart from physical stimulation, perception is influenced by an individual's condition and the environment in which they are located.

This research is in line with the results of the analysis by Fadhila et al. (2020), which show that consumer perception positively and significantly influences purchasing decisions in the Mawar Balimbing Mini Market. This is also supported by Pani (2019), who showed that consumer perceptions positively and significantly influence the decision to purchase Lion Air tickets.

H3: Consumer perception influences purchasing decisions for UNIQLO products in Samarinda

## **3. Method**

The variables used in this study included independent and dependent variables. The independent variables consist of Product Price, Brand Awareness, and Consumer Perception, and the dependent variable is the Purchase Decision. The population in this study was UNIQLO customers in Samarinda. Because the number of members in the population is unknown, purposive sampling combined with non-probability sampling techniques is used. The criteria used in the sampling were that consumers had purchased at least one UNIQLO product in Samarinda. After calculating the number of samples according to the specified criteria, 160 samples were obtained. Quantitative data were used in the research method. Primary data were used in this study. The data collection methods used were observation, literature review, and questionnaire distribution, using a Likert scale. The analysis tool used was SEM PLS version 4.0.

## **4. Results and Discussion**

### **4.1. General Description**

In this study, the object was the UNIQLO. UNIQLO is a global company that operates in 25 countries, including Indonesia ([www.fastretailing.com](http://www.fastretailing.com)). UNIQLO stores in Indonesia alone

have reached 65 stores (as of August 2023) spread across various cities in Indonesia, one of which is Samarinda, the 41st Uniqlo store opened in Indonesia. To be precise, 10 September 2021 was located at the Big Mall. One of the main markets is Indonesia, because it has the largest population in Southeast Asia and a strong and developing economy.

The respondents in this study were consumers who purchased UNIQLO products at least once in Samarinda. The sample used in this study comprised 160 respondents. The characteristics of the respondents in this study varied, namely, gender, age, and income. These characteristics resulted in differences in the results of the questionnaire.

### Outer Model Analysis

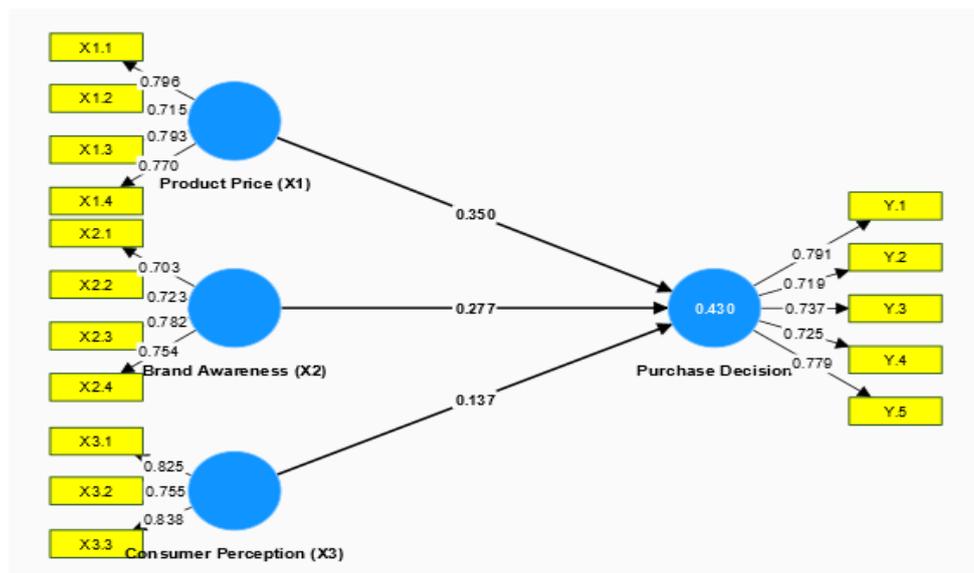


Figure 1. PLS Algorithm Results Framework

### 4.2. Inner Model Analysis

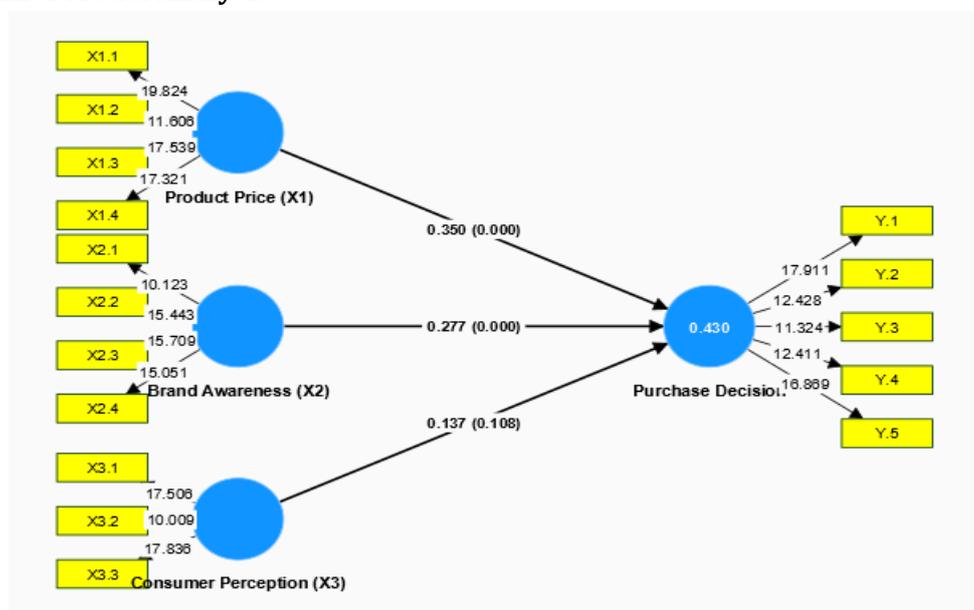


Figure 2. Display of PLS Bootstrapping Result

### 4.3. The Influence of Product Prices on Purchasing Decisions

In this study, the Product Price variable positively and significantly influenced Purchasing Decisions. This means that setting prices for UNIQLO products that are considered appropriate to their quality and benefits will encourage consumers to buy UNIQLO products. This is also

due to the high income in Samarinda, so that consumers can buy UNIQLO products. Furthermore, this study used a PLS analysis tool for data analysis. The findings show that product prices positively and significantly influence purchasing decisions. Therefore, Hypothesis 1 was accepted.

#### **4.4. The Influence of Brand Awareness on Purchasing Decisions**

The Brand Awareness variable in this study positively and significantly influences purchasing decisions. This means that the higher the level of consumer Brand Awareness of UNIQLO products, the greater the purchasing decisions that consumers make. This is because UNIQLO is a well-known brand; customers usually choose more well-known products, so they decide to buy UNIQLO products. Furthermore, this study used a PLS analysis tool for data analysis. The findings show that Brand Awareness positively and significantly influences Purchase Decisions. Therefore, Hypothesis 2 was accepted.

#### **4.5. The Influence of Consumer Perceptions on Purchasing Decisions**

The consumer perception variable in this study has no effect on purchasing decisions. This means that consumer perception will not influence the purchasing decision for UNIQLO products. It can be said that the shopping experience and information provided by UNIQLO products do not influence consumers to purchase UNIQLO products. Based on the attached data, age and income did not influence the decision to purchase UNIQLO products. Consumers buy a product if they want to and feel it is suitable. Thus, UNIQLO products can be used in all age and income groups. UNIQLO products have the tagline "made for all." Quality clothing for everyone with simple designs and affordable prices. Furthermore, this study used a PLS analysis tool for data analysis. The findings of this study indicate that consumer perception has no influence on purchasing decisions and is not significant. Therefore, Hypothesis 3 was rejected.

### **Conclusions**

The following conclusions were drawn based on the analysis and research results: Product prices have a positive and significant effect on UNIQLO's product purchasing decisions, so consumer purchasing decisions will grow in proportion to the product prices provided by UNIQLO. Brand Awareness has a positive and significant influence on UNIQLO product purchasing decisions; therefore, the higher the consumer's level of Brand Awareness regarding UNIQLO products, the greater the purchasing decisions that consumers will make. Consumer perception has no influence on purchasing decisions for UNIQLO products. It can be said that the shopping experience and information provided by UNIQLO products do not influence consumers to purchase UNIQLO products.

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