

**The Analysis of Price Perception and Promotion
on Brand Image and Purchasing Decisions**



**Submitted to Fulfill the Duties and Requirements to Get a Bachelor's Degree in
Economics Management Study Program, Faculty of Economics and Business**

By :

Dafa Alifvansyah Putra Margana

B100204662

THESIS

**INTERNATIONAL MANAGEMENT STUDY PROGRAM
FACULTY OF ECONOMICS AND BUSINESS
MUHAMMADIYAH SURAKARTA UNIVERSITY**

2024

APPROVAL PAGE

The undersigned have read the Thesis with the title:

The Analysis of Price Perception and Promotion on Brand Image and Purchasing Decisions

Written and compiled by:

Dafa Alifvansyah Putra Margana

B100204662

The signatories are of the opinion that the thesis has met the requirements for acceptance.

Surakarta, , 2024

Main Advisor



(Kussudyarsana , S.E., M.Si., Ph.D)

NIK . 828

Knowing

Dean of the Faculty of Economics and Business

Muhammadiyah University of Surakarta



(Prof. Dr. Anton Agus Setyawan, S.E., M.Si.)

NIK. 829

MOTTO

“Ambivalence Is A Modest Imperative”

(Researcher)

"Whoever walks in the path of seeking knowledge, Allah will make easy for him the path to paradise."

(H.R. Muslim)

"Indeed, Allah does not change the condition of a people until they change what is in themselves."

(Q.S. Ar-Ra'd verse 11)

"Verily with hardship is ease."

(Q.S. Al-Inshirah verse 6)

"Start each day with positive thoughts and a grateful heart"

(Roy T.Bennett)

"Never stop dreaming, because it is the dream that can knock our hearts to always try to achieve it"

(Merry Riana)

ACKNOWLEDGEMENT

Bismillahirrahmanirrahim,

Assalamualaikum wr.wb

All praise be to Allah SWT for His blessings and gifts to the writer so that the writer can complete the thesis with the title “**The Analysis of Price Perception and Promotion on Brand Image and Purchasing Decisions**” the purpose of this thesis is to complete one of the requirements to obtain bachelor’s degree (SI) at the faculty of economics and business, International Management study major, at Muhammadiyah University of Surakarta. Shalawat and greetings are always addressed to King Muhammad SAW, which means. Shalawat and salutations are always discussed with Muhammad SAW, whose intercession we look forward to at the end of the year.

After quite a long journey, alhamdulillah, I can finish this thesis. There are many lessons that I can learn from working on this thesis, and these lessons are what ultimately strengthen my life in this phase. It is challenging to reach the end point of this thesis. Therefore, I dedicate this thesis to the following:

1. Allah SWT for the grace and guidance. Thank God without any significant obstacles, I can finish this thesis.
2. Rasulullah SAW who has always been a role model to the author's heart so far. Shalawat and greetings are always bestowed on the Prophet Muhammad SAW, whose intercession is always expected at the end of the Yaumil.
3. For my parents, Didik Tri Margono and Dwi Rohmani who had been the number one supporting author, without their prayers, blessings, and support, the author could not be in this stage, and complete this thesis.
4. My dear brothers, Muhammad Ghatfan Al-Dafi Putra Margana, Al-Defo Zaidah Putra Margana, Defan Al-Zhaafir Putra Margana who has always been a best friend, brother and sister, mood booster and support system.
5. A whole dear family that the author cannot name one by one, grandfather, grandmother, uncle, aunt which always fills the author's heart with love and support.
6. To Clara Fadhillah Rahmawati who has always been the author of mood booster, support and encouragement, helping writers in writing thesis.

7. Mr. Kussudyarsana, S.E., M.Si., Ph.D as my mentor who always guide, support and assist the author in making this thesis.
8. For my friends, Alif Radhia, Adam Firdaus, Wibisono Adi Prayogo, and Hasna Nafisah, there are always moments of us and downs.
9. There was my cousin sister Yola and sister Lia who always encouraged and gave me advice.
10. There are several things to consider in the process of making this thesis.
11. On all friends of International Management 2020, thank you for choosing the author.
12. Last but not least, i want to receive affection from me, i want to receive affection from me, i want to receive affection from me for having done all this hard work, i want to receive affection from me for not having a day off, i want to receive affection from me for never stopping.

ABSTRACT

This research aims to analyze the effect of price perception and promotion on brand image and purchasing decisions. The population of the research consists of consumers who has purchased Wedang uwuh MIMIKU products. The method of this study uses a quantitative approach. Data were collected through online survey by purposive sampling. Data analysis in this study was carried out using a structural equation model of Partial Least Square (PLS) 3.2.6. This study found that price, which in this case relates to the high and low or the amount of money spent by consumers to influence a product, can also affect the long-term image. its mean signified that the better the consumer's perception of the price would further increase purchasing decisions. and shows that the online promotion variable on purchasing decisions mediated by brand image has a greater influence than the value of the direct effect of the online promotion variable on purchasing decisions. Promotion, it can attract the attention of potential consumers to buy the products offered by the company. So that cause be better the promotion, the higher the consumer's decision to buy goods. And the last the brand image of the product is good, the consumer will make a purchase of the product.

Keyword : price perception, brand image, promotion, purchasing decision

ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh persepsi harga dan promosi terhadap citra merek dan keputusan pembelian. Populasi penelitian terdiri dari konsumen yang pernah melakukan pembelian produk Wedang uwuh MIMIKU. Metode penelitian ini menggunakan pendekatan kuantitatif. Data dikumpulkan melalui survey online dengan metode purposive sampling. Analisis data dalam penelitian ini dilakukan dengan menggunakan model persamaan struktural Partial Least Square (PLS) 3.2.6. Studi ini menemukan bahwa harga, yang dalam hal ini berkaitan dengan tinggi dan rendahnya atau jumlah uang yang dikeluarkan konsumen untuk mempengaruhi suatu produk, juga dapat mempengaruhi citra jangka panjang. rata-ratanya menandakan bahwa semakin baik persepsi konsumen terhadap harga akan semakin meningkatkan keputusan pembelian. dan menunjukkan bahwa variabel promosi online terhadap keputusan pembelian yang dimediasi oleh brand image memiliki pengaruh yang lebih besar daripada nilai pengaruh langsung variabel promosi online terhadap keputusan pembelian. Promosi, dapat menarik perhatian calon konsumen untuk membeli produk yang ditawarkan oleh perusahaan. Sehingga menyebabkan semakin baik promosinya, semakin tinggi pula keputusan konsumen untuk membeli barang. Dan yang terakhir brand image dari produk tersebut bagus, konsumen akan melakukan pembelian terhadap produk tersebut.

Kata kunci: persepsi harga, brand image, promosi, keputusan pembelian

TABLE OF CONTENT

APPROVAL PAGE	ii
MOTTO	iii
ACKNOWLEDGEMENT	iv
ABSTRACT.....	vi
ABSTRAK.....	vii
TABLE OF CONTENT	viii
LIST OF FIGURE.....	xi
LIST OF TABLES.....	xii
CHAPTER I INTRODUCTION	1
1.1 Background.....	1
1.2 Research Problem	4
1.3 Research Aims	4
1.4 Significant of the study.....	4
CHAPTER II LITERATURE REVIEW	5
2.1 Literature Review.....	5
2.1.1. Price Perception	5
2.1.2. Brand Image.....	5
2.1.3. Promotion	7
2.1.4. Purchase Decision.....	8
2.2 Previous Research.....	9
2.3 Hypothesis.....	11
2.3.1 Influence of price perception on brand image.....	11
2.3.2 Influence of price perception on purchasing decision	11
2.3.3 Influence of promotions on brand image.....	12
2.3.4 Influence of promotions on purchasing decisions	12
2.3.5 Influence of brand image on purchasing decisions	12
2.4 Research Framework.....	13
CHAPTER III RESEARCH METHOD	14
3.1 Research Design.....	14
3.2 Sample and Population	14
3.3 Data Collection.....	15
3.4 Operational Definition of Variables	15
3.4.1 Price Perception	15
3.4.2 Promotion	15

3.4.3 Brand Image.....	16
3.4.4 Purchasing Decision	16
3.5 Data Analysis.....	16
3.5.1 Outer Model or Measurement Model.....	17
3.6 Structural Model (Inner Model).....	18
3.6.1 Goodness of fit.....	18
3.6.2 R Square (coefficient of determination).....	18
3.6.3 Q2 Value.....	19
3.6.4 Model Fit.....	19
CHAPTER IV RESULTS AND DISCUSSION	20
4.1 Respondent Profile	20
4.1.1 Characteristic of Respondents based on gender.....	20
4.1.2 Characteristic based on Respondents Education	21
4.1.3 Characteristics of Respondents based on age.....	21
4.1.4 Characteristic Based on Respondents occupation	22
4.2 Descriptive Variable Analysis.....	22
4.2.1 Respondent Analysis on Expertise (X1)	23
4.2.2 Respondent analysis on Promotion (X2)	23
4.2.3 Respondent analysis on Brand Image (X3).....	24
4.2.4 Respondent analysis on Purchasing Decision (Y1).....	24
4.3 Data Analysis.....	25
4.4 Instrument Test	25
4.4.1 Outer Model Evaluation or Measurement Model	26
4.4.2. Inner Model.....	32
4.5 Hypothesis Test.....	35
4.6 DISCUSSION.....	37
CHAPTER V CONCLUSION.....	39
5.1 CONCLUSION.....	39
5.2 LIMITATION	39
5.3 MANAGERIAL IMPLICATION.....	40
REFERENCE.....	41
APPENDIX.....	43

LIST OF FIGURE

Figure 2.4 Research Framework.....	13
Figure 4.1 Outer Model.....	26
Figure 4.2 Inner Model.....	32

LIST OF TABLES

Table 3.1 Validity and Reliability Table.....	18
Table 4.1 Identity of Respondents based on gender.....	20
Table 4.2 Identity of Respondents based on education.....	21
Table 4.3 Identity of Respondents based on age.....	21
Table 4.4 Identity of Respondents based on occupation.....	22
Table 4.5 Respondent analysis on Price Perception.....	23
Table 4.6 Respondent analysis on Promotion.....	23
Table 4.7 Respondent Analysis on Brand Image.....	24
Table 4.8 Respondent Analysis on Purchasing Decision.....	24
Table 4.9 Outer Loading.....	27
Table 4.10 AVE.....	28
Table 4.11 Cross Loading.....	29
Table 4.12 Composite Reliability.....	30
Table 4.13 Cronbach Alpha.....	31
Table 4.14 Coefficient Determine.....	33
Table 4.15 Predictive Relevance.....	34
Table 4.16 Model Fit.....	35
Table 4.17 Direct Fit.....	36
Table 4.18 Indirect Fit.....	37