

**THE ROLE OF BRAND IMAGE IN MEDIATING THE INFLUENCE OF PRICE ON THE
PURCHASE DECISION OF MATIC MOTORCYCLES AT CV. HONDA DAYA MOTOR IN
GOWA REGENCY**

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Abstract

This research aims to analyze the effect of price on the brand image of automatic motorcycles at CV. Honda Daya Motor in Gowa Regency. To analyze the effect of price on the purchasing decision of automatic motorcycles at CV. Honda Daya Motor in Gowa Regency. To analyze the effect of brand image on the purchasing decision of automatic motorcycles at CV. Honda Daya Motor in Gowa Regency. To analyze the effect of brand image in mediating price on the purchasing decision of automatic motorcycles at CV. Honda Daya Motor in Gowa Regency. The method in this research uses partial least square (PLS) analysis with SmartPLS software version 4.9.10. PLS is one of the methods for Structural Equation Modeling (SEM) that, in this case, is preferred over other SEM techniques. The findings of this study indicate that price has a positive and significant impact on brand image. Competitive selling prices in the marketing of Honda automatic motorcycles will influence consumers' decisions when purchasing Honda automatic motorcycles. The brand image of automatic motorcycle products will significantly influence the purchasing decisions of automatic motorcycles in marketing. Brand image can mediate the influence of price on the purchasing decision of automatic motorcycles at CV. Honda Daya Motor in Gowa Regency.

Keywords: Brand Image, Price, and Purchase Decision.

INTRODUCTION

Nowadays, the automotive industry is growing rapidly, especially in the four-wheeled and two-wheeled sectors. The increasing consumer demand for transportation year after year can present opportunities for the automotive industry, particularly in motorcycle transportation, as it can serve as an effective and efficient alternative for daily activities. Companies must be able to dominate market share in order to meet the desires and needs of consumers, so that the company's goals can be achieved to the fullest.

The competition in the automotive industry, particularly in the motorcycle segment in Indonesia, involves several well-known brands such as Honda, Yamaha, and Suzuki. Each of these manufacturers produces various models of automatic motorcycles. Automatic motorcycles are designed to make their operation easier compared to underbone motorcycles. Initially, automatic motorcycles were primarily aimed at female users. However, with the passage of time, automatic motorcycles have also become a favorite among men. This indicates that the users of automatic motorcycles are not limited to women, but also include men. In Indonesia, there are four major players in the motorcycle industry, namely PT. Astra Honda Motor, PT. Yamaha Motor Indonesia Manufacturing, PT. Suzuki Indomobil Motor, and PT. Kawasaki Motor Indonesia.

The automatic segment, led by Honda, Yamaha, and Suzuki, dominated national motorcycle sales in 2022 with a market share of 87.58%. The remaining segments were occupied by the underbone segment at 6.30% and the sport segment at 6.12%. According to data from AISI (Indonesian Motorcycle Industry Association) in 2022, the largest sales of automatic motorcycles in Indonesia were still controlled by Honda motorcycles, and the demand for automatic motorcycles is increasing.

According to a survey conducted some time ago regarding the use of motorbikes, 100 respondents participated in this survey. The favorite motorcycle product among the Indonesian people in the entry-level automatic category (110-125 CC) is Honda's Scoopy, which has become the star. The Beat variant ranks second, followed by the Vario. Next are the Lexi, Fazzio, FreeGo, and X-Ride variants, which are products from Yamaha.

In the midst of intense competition, brand image has become one of the important factors that can influence consumer purchasing decisions. Brand image is the perception that consumers have of a brand based on their experiences, promotions, and various interactions with that brand. A positive brand image can enhance consumers' perceived value of a product, even if its price is higher compared to competitors. In the automatic motorcycle industry, well-known brands like Honda,

Yamaha, and Suzuki have successfully built a strong brand image through product quality, after-sales service, and continuous innovation. A strong brand image can create a positive perception and encourage consumers to choose that product, even at a higher price.

Price is a factor that significantly influences brand image and consumer purchasing decisions. Pricing policies are always linked to the perceived benefits received by consumers. If the price is considered too high and the brand image is poor, consumers may be reluctant and hesitant to make a purchase. Conversely, if the price is deemed fair and reflects value while having a good brand image, consumers will be more willing to buy. Based on the research conducted by Armayani and Jatra (2019), it was found that price has a positive and significant effect on brand image. However, this contrasts with the study conducted by Yurindera (2022), which found that price does not significantly affect brand image.

Price not only affects brand image but also influences purchasing decisions, as price can impact consumers in making the decision to buy a product. Every company considers what price level is reasonably acceptable to consumers, because the price of a product can indicate and influence how consumers make their purchases. Research conducted by Azrin et al. (2022) and Tanugraha and Widagdo (2022) argues that price has a positive and significant impact on purchasing decisions, meaning that if prices increase, it will affect the decision-making process for purchases.

In purchasing decisions, brand image can have an impact or influence on consumers who are about to make a purchase of a product. Consumers will be quicker to decide on their purchases with products that have a good brand image. Furthermore, a good brand image will serve as a distinct advantage for consumers when buying a product. This is supported by research from Winarti et al. (2023), Tanugraha and Widagdo (2022), which indicates that brand image has a positive and significant effect on purchasing decisions.

Brand image in this study is used as a mediating variable in influencing price on purchasing decisions. The research by Armayani and Jatra (2019) shows that brand image can positively and significantly mediate the effect of price on purchasing decisions. This indicates that brand image plays an important role in consumer pricing, thereby enhancing purchasing decisions. It demonstrates that brand image serves as a pathway to improve purchasing decisions regarding the influence of price on purchasing decisions. Furthermore, the research conducted by Katu & Suparna (2022) indicates that brand image has a positive and significant effect in mediating the influence of the price variable on the purchasing decision variable. The more affordable the price, the better the brand image of a product will be. The better the

brand image of the product in the minds of consumers, the more it will encourage consumers to make a purchase decision.

This research was conducted at CV. Honda Daya Motor in Gowa Regency, which is one of the dealerships selling Honda motorcycles. The prices of Honda motorcycles are more competitive compared to competitors and are affordable. Furthermore, the brand image of Honda in the minds of consumers indeed features a reliable and durable engine, capable of withstanding various road and weather conditions, innovative technology such as fuel injection, advanced braking systems, and cutting-edge safety features, fuel efficiency, ergonomic design, and Honda has built a strong reputation in the global market. The issue that has been occurring is the decline in motorcycle sales offered by the company.

Motorcycle sales at CV. Honda Daya Motor during the years 2021 and 2002 experienced a decline. This decline is caused by the emergence of many competitors, leading to a decrease in motorcycle sales. Another reason for the drop in sales is the lack of brand image associated with Honda motorcycles, as well as insufficient promotion by CV. Honda Daya Motor, which affects consumer purchasing decisions and impacts the revenue achieved by CV. Honda Daya Motor in Gowa Regency.

RESEARCH METHOD

This type of research is quantitative. According to Sugiyono (2019), quantitative research methods are based on the philosophy of positivism, which is applied to a specific population or sample. The philosophy of positivism views phenomena/symptoms/reality as something that can be classified, observed, concrete, measurable, and has causal relationships. The quantitative research method uses positivist philosophy to examine things encountered in the field. Before conducting the research, the subjects to be studied are categorized, allowing the researcher to focus on the appropriate process in the subsequent stages of the research. This research uses measurable data, employing statistical methods (testing tools) for data calculation that will yield a conclusion regarding the role of brand image in mediating the influence of price on purchasing decisions.

Research instruments are tools used to measure natural and social phenomena (Sugiyono, 2019). Research instruments are used to measure the variables being studied by assigning scores. Based on the operational definition of the variables, they are then developed into research instruments to measure the variables under investigation.

The measurement of the research variables was conducted through a questionnaire distributed to respondents. In measuring the respondents' answers, the

completion of the questionnaire for the variables of brand image, price, and purchasing decisions was assessed using a Likert scale. According to Sugiyono (2019), the Likert scale is a technique for measuring the attitudes, opinions, and perceptions of an individual or a group of individuals regarding social phenomena.

Data analysis was conducted using the Partial Least Square (PLS) method with SmartPLS software version 4.9.10. PLS is one of the methods for solving Structural Equation Modeling (SEM) that, in this case, is preferred over other SEM techniques. SEM has a higher level of flexibility in research that connects theory and data, and it is capable of performing path analysis with latent variables, which is why it is often used by researchers focusing on social sciences. Partial Least Squares (PLS merupakan metode analisis yang cukup kuat karena tidak didasarkan pada banyak asumsi). Data also does not have to follow a multivariate normal distribution (indicators with categorical, ordinal, interval, and ratio scales can be used in the same model), and the sample does not have to be large. (Ghozali, 2018).

In addition to supporting theories, Partial Least Squares (PLS) helps clarify whether latent variables are related or not. Partial Least Squares (PLS) is a better choice for data analysis in predictive research because it is also used to validate theories. To determine whether there is a relationship between latent variables or not, Partial Least Square (PLS) can also be used. Both formative and reflective indicators can be used to assess constructs simultaneously with partial least squares. (PLS). Covariance-based SEM cannot do this because it will result in an undefined model. The selection of the Partial Least Square (PLS) method is based on the consideration that this research involves 4 latent variables formed with reflective indicators, and the variables are measured using a second-order reflective factor approach. The reflective model assumes that the construct or latent variable influences the indicators, where the direction of causality is from the construct to the indicators or manifests, thus requiring confirmation of the relationships between the latent variables.

The approach to analyzing second-order factors is to use the repeated indicators approach, also known as the hierarchical component model. Although this approach repeats the number of manifest variables or indicators, it has the advantage that this model can be estimated using standard Partial Least Squares algorithms. (PLS).

The analysis of structural equation modeling (SEM) with a full model using smart PLS is employed for hypothesis testing. Structural equation modeling not only validates theories but also clarifies whether there are relationships between latent variables. Hypothesis testing of the inner model by examining the calculated Path Coefficient values. A hypothesis is considered accepted if its T statistic value exceeds

the T table value of 1.96 ($\pm 5\%$). This implies that any hypothesis can be said to be proven or accepted if its T statistic value exceeds the T table value.

RESULT AND DISCUSSION

a. The Influence of Price on Brand Image

Based on the results of the data analysis, it was found that price has a positive and significant impact on brand image at CV. Honda Daya Motor in Gowa Regency. This indicates that if the company sets competitive selling prices for Honda automatic motorcycles compared to other motorcycle dealerships, it will enhance the brand image associated with the Honda automatic motorcycles offered by CV. Honda Daya Motor in Gowa Regency.

Price setting is one of the important components that affects brand image. This is in line with the theory proposed by Indrasari (2019), which states that price is the value of a good or service measured by the amount of money spent by the buyer to obtain a combination of goods or services along with their services. Additionally, it is supported by empirical studies conducted by Armayani and Jatra (2019), which found that price has a positive and significant effect on brand image.

b. The Influence of Brand Image on Purchase Decisions

From the analysis of research data using the PLS 4.9.10 application, empirical findings indicate that brand image has a positive and significant effect on purchase decisions at CV. Honda Daya Motor in Gowa Regency. This suggests that the higher the brand image of the automatic motorcycle products offered by CV. Honda Daya Motor in Gowa Regency, the more it will directly enhance consumer purchase decisions in the marketing conducted by the company.

The results of this study align with the theoretical framework proposed by Kotler and Keller (2018), who define brand image as the impression that exists in the minds of consumers regarding a brand. This impression is shaped by the messages and experiences consumers have with a brand, thereby creating the image that resides in the minds of consumers. In purchasing decisions, brand image can have an impact or influence on consumers who are about to make a purchase of a product. A good brand image will have a positive effect on the product, and the same goes for the opposite. In addition, it is supported by empirical studies conducted by Winarti et al. (2023), Tanugraha, and Widagdo (2022) that brand image has a positive and significant effect on purchasing decisions.

c. The Influence of Price on the Purchase Decision of Honda Automatic Motorcycles

From the analysis conducted using smartPLS 4.9.10, it was found that price has a positive and significant effect on the purchase decision of Honda automatic motorcycles offered by CV. Honda Daya Motor in Gowa Regency. This means that by setting competitive selling prices in the marketing of automatic motorcycles,

especially at CV Honda Daya Motor in Gowa Regency, it will influence the increase in consumer decisions to purchase Honda automatic motorcycles.

The results of this study align with the theoretical review conducted by Nasib et al. (2021) that price is the amount of money charged for a specific product. Companies set prices in various ways, aiming to facilitate consumer decision-making. In addition, it is supported by the empirical findings of Azrin et al. (2022) that price has a positive and significant impact on purchasing decision-making. Furthermore, the research conducted by Tanugraha and Widagdo (2022) argues that price positively and significantly influences purchasing decisions, meaning that if prices increase, it will affect the purchasing decision-making process.

d. The Role of Brand Image in Mediating the Influence of Price on Purchase Decisions

From the mediation test results, it was found that brand image can mediate the influence of price on the purchase decisions of Honda automatic motorcycles at CV. Honda Daya Motor in Gowa Regency. It can be said that the selling price in the marketing of Honda automatic motorcycles can enhance the brand image of the product, which in turn will impact the increase in purchase decisions for Honda automatic motorcycles at CV Honda Daya Motor in Gowa Regency.

The results of the research conducted through the distribution of questionnaires conclude that the selling price, through factors such as price affordability, alignment of price with product quality, price competitiveness, and the alignment of price with benefits, will shape the brand image associated with Honda automatic motorcycles. Thus, with the presence of brand image on Honda automatic motorcycles, it will influence consumer decisions in purchasing motorcycles at CV. Honda Daya Motor in Gowa Regency.

These research findings are in line with the theory proposed by Kotler (2019) that brand image acts as a mediating factor between price variables and purchase decisions. A brand is a name, term, sign, symbol, or design, or a combination of these, intended to identify goods or services from a seller or a group of sellers and to distinguish them from other products. Then, price is one of the determining factors for buyers in making a purchasing decision regarding a product or service. Especially when the product or service to be purchased is a daily necessity such as food, beverages, and other basic needs, buyers will pay close attention to the price.

In addition, this research is supported by a study conducted by Katu and Suparna (2022) which found that brand image has a positive and significant effect in mediating the influence of the price variable on the purchasing decision variable. The more affordable the price, the better the brand image of a product will be. The better the brand image of the product in the minds of consumers, the more it will encourage consumers to make a purchase decision.

CONCLUSION

Based on the results of the analysis and discussion in this study, several conclusions can be presented, outlined as follows:

1. The influence of price on brand image at CV Honda Daya Motor in Gowa Regency shows that the selling price of competing Honda automatic motorcycles can have a positive and significant impact on brand image. In this study, it can be interpreted that a competitive selling price, which is lower compared to competitors' prices, will enhance the brand image.
2. The influence of price on the purchasing decision of automatic motorcycles at CV Honda Daya Motor in Gowa Regency indicates that a competitive selling price in the marketing of Honda automatic motorcycles will affect consumers' decisions to purchase Honda automatic motorcycles. It can be said that a competitive selling price in the marketing of automatic motorcycle products will lead to an increase in consumer purchases of motorcycles.
3. The influence of brand image on the purchasing decision of Honda automatic motorcycles at CV Honda Daya Motor in Gowa Regency shows that the brand image of automatic motorcycle products will significantly influence the purchasing decisions of automatic motorcycles in marketing efforts. This indicates that the higher the brand image of the automatic motorcycle products sold by the company, the greater the consumer's decision to purchase an automatic motorcycle from CV. Honda Daya Motor in Gowa Regency.
4. The influence of price on the purchasing decision of automatic motorcycles through brand image shows that brand image can mediate the influence of price on the purchasing decision of automatic motorcycles at CV. Honda Daya Motor in Gowa Regency, meaning that competitive selling prices of Honda automatic motorcycles in marketing will enhance brand image, which will consequently impact the increase in purchasing decisions for motorcycles.

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