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THE INFLUENCE OF PRODUCT QUALITY, BRAND IMAGE, AND PRICE ON PURCHASE DECISIONS OF TOMORO COFFEE AMONG THE COMMUNITY IN MEDAN MAIMUN DISTRICT

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ABSTRACT

This study aims to determine the influence of product quality, brand image and price on the purchase decision of Tomoro Coffee. The research method used in this study is a quantitative research method. The population in this study consists of the residents of Medan Maimun District who have tasted coffee at Tomoro Coffee, with an unknown exact population size. The sampling technique used is non-probability sampling. The sample size was determined using Slovin's formula, resulting in a total of 100 respondents. The data analysis method applied in this study is multiple linear regression analysis. The results of the study show that, partially, product quality affects the purchase decision of Tomoro Coffee, brand image affects the purchase decision of Tomoro Coffee and price affects the purchase decision of Tomoro Coffee. Simultaneously, product quality, brand image, and price influence the purchase decision of Tomoro Coffee. The purchase decision of Tomoro Coffee is influenced by product quality, brand image, and price by 41.5%, while the remaining 58.5% is influenced by other variables not examined in this study.

Keywords: Product Quality, Brand Image, Price, Purchase Decision

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INTRODUCTION

The increasing number of coffee consumption in Indonesian society has made business people start to look at the world of coffee shop business. In Indonesia itself, there are several coffee shops that are currently in demand by the public, one of which is Tomoro Coffee. Tomoro Coffee is a coffee shop company that has 600 outlets spread across Indonesia, such as in Jakarta, Bandung, Medan and other big cities. Tomoro Coffee is committed to creating various types of drinks with good coffee quality and various pricesFirm size juga dapat mempengaruhi profitabilitas perusahaan. Firm size menjelaskan tingkat efektifnya perusahaan melalui modal kerja yang berasal dari asset perusahaan untuk memaksimalkan nilai perusahaan. Dengan memiliki sumber daya yang besar, perusahaan dapat memperluas pasar, sehingga meningkatkan keuntungan perusahaan. Dalam (Natsir dan Yusbardini, 2020).
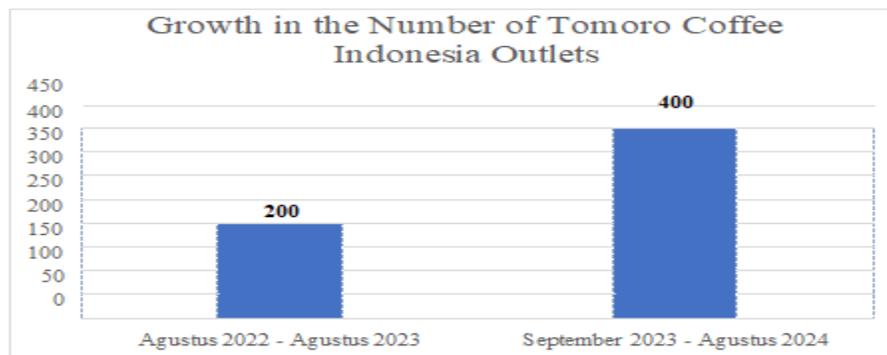
Figure 1. Growth in the Number of Tomoro Coffee Outlets

Tomoro Coffee has shown significant growth, as seen from the increasing number of outlets since its establishment in August 2022. In its first year (August 2022 – August 2023), Tomoro Coffee successfully opened 200 outlets across various regions in Indonesia. This growth accelerated in the following year (September 2023 – August 2024), with an additional 400 outlets opened. As a result, the total number of Tomoro Coffee outlets operating in Indonesia reached 600. This rapid growth reflects an aggressive expansion strategy and high market interest in the products offered by Tomoro Coffee.

One of the key factors influencing consumer purchasing decisions is product quality. For a business to survive in a competitive market, the products or services it offers must have good quality or be consistent with the price offered. One of Tomoro Coffee's weaknesses lies in the inconsistency of coffee quality across its branches. This issue is mainly due to the rapid pace of its business expansion. Previous research has shown that product quality has a positive and

significant influence on purchasing decisions (Sutrisno et al., 2022). However, another study stated that product quality does not have a significant influence on purchasing decisions when considered partially (Putra et al., 2022).

Brand image refers to consumers' perception that reflects a company's reputation. A good brand image can enhance consumer purchasing decisions. Conversely, a poor brand image may decrease consumers' intention to purchase. As a newcomer in the coffee shop market, Tomoro Coffee does not yet have strong brand recognition compared to more established competitors. This affects consumers' interest in purchasing from a brand they are already familiar with. Previous studies have shown that brand image has a positive and significant influence on purchasing decisions (Budyitanto, 2019). However, another study found that brand image does not have a positive effect on purchasing decisions (Vikar et al., 2021).

Price is one of the crucial aspects considered by consumers when deciding whether to purchase a particular product. Incorrect pricing that does not match the quality of the product offered can lead to reduced demand and consequently affect the company's revenue. Although Tomoro Coffee offers more affordable prices compared to several competitors, some consumers feel that the price does not match the quality of the coffee offered. Previous studies have found that price has a positive and significant influence on purchasing decisions (Vikar et al., 2021). However, another study concluded that price does not have a positive impact on purchasing decisions (Lestari, 2023). Based on the background described above, the author is interested in conducting a study titled: "The Influence of Product Quality, Brand Image, and Price on the Purchasing Decision of Tomoro Coffee in the Medan Maimun District".

The identification of problems in this study are: Inconsistent coffee quality in each branch, Tomoro Coffee does not yet have strong brand recognition, Some consumers feel that the price is not comparable to the quality of the coffee offered, Low consumer purchasing decisions for Tomoro Coffee.

LITERATUR REVIEW

Product Quality

According to Kotler & Armstrong (2015), product quality is the ability of a product to meet customer desires. These customer desires include product durability, ease of use, product

reliability, and other valuable attributes that are free from defects and damages. According to Maramis et al. (2018), product quality is the ability of a product to demonstrate its functions. This includes overall durability, reliability, accuracy, ease of operation and repair, as well as other product attributes. According to Kotler & Keller (2016), product quality is the capability of a product to deliver results or performance that meet or even exceed consumer expectations. According to Orville, Larreche & Boyd (2015), there are seven indicators of product quality that determine the characteristics of a product, namely:

1. Performance

2. Durability

3. Conformance to specifications

4. Features

5. Reliability

6. Aesthetics

7. Perceived quality

Brand Image

According to Kotler & Keller (2016), brand image is how society perceives a brand in reality. In order for the image to be embedded in the minds of consumers, marketers must demonstrate brand identity through available brand communication and contact channels. According to Tjiptono (2015), brand image is a description of consumer associations and beliefs toward a particular brand. According to Priansa (2017), brand image arises from experience and communication efforts, leading to assessment or development based on either or both aspects. According to Firmansyah (2019), there are several indicators that must be considered in shaping a brand image, namely:

1. Corporate image

2. User image

3. Product image

Price

According to Kotler & Armstrong (2018), price is the amount of money charged for a product or service, or the sum of the values exchanged by customers for the benefit of owning or using the product or service. According to Malau (2017), price is a monetary unit or

measurement of a product or service that is exchanged in order to obtain ownership or usage rights. According to Widjojo et al. (2017), price can be described as a portion of profit, or the value that needs to be paid or traded by customers in purchasing a product or commodity provided. According to Kotler & Armstrong (2016), there are four indicators used to measure price:

1. Price affordability
2. Price conformity with product quality
3. Price conformity with benefits
4. Price suitability with purchasing power or competitiveness

Purchase Decision

According to Swastha & Handoko (2015), a purchase decision is a problem-solving approach in human activity to buy a product or service in order to fulfill desires and needs. According to Kotler & Keller (2016), a purchase decision is the act of choosing and having the interest to buy the most preferred brand among several alternatives. Purchasing decisions are the process that consumers or organizations go through when determining whether to buy a product or service (Tiani, et al. 2023). According to Peter & Olson (2015), a purchase decision is a process carried out to combine consumer-acquired knowledge as a consideration in choosing between two or more alternatives to decide on a product. According to Kotler & Armstrong (2018), there are three indicators used in making a purchase decision:

1. Confidence in a product
2. Buying habits
3. Willingness to recommend to others

The Influence of Product Quality on Purchase Decisions

When a consumer is about to make a purchase, they will choose a product that, in terms of quality, can meet their needs (Rahman & Sitio, 2019). If the product offered is of high quality and has its own advantages, consumers are likely to feel attracted to it and ultimately make a purchase. Conversely, if the quality of a product is not very good, consumers will think twice before deciding to make a purchase.

The Influence of Brand Image on Purchase Decisions

Products with a good brand image tend to be more easily accepted by consumers

(Zamora & Yunus, 2020). The better the brand image of a product, the more confident consumers will be in the product, leading them to make a purchase. On the other hand, if the brand image of a product is poor, consumers will feel hesitant to make a purchase and will instead choose another brand with a similar product that better meets their desires and expectations.

The Influence of Price on Purchase Decisions

Price is one of the key factors that consumers consider when deciding whether to purchase a particular product (Tarigan & Siregar, 2019). When the price of a product is considered too high, consumers may feel that the product is not worth the cost and will choose to switch to a more affordable brand. Conversely, if the price offered is lower compared to other products, it can increase consumer interest and demand because consumers tend to seek the best value for a lower price.

Conceptual Framework

Based on the explanation above, the author develops a conceptual framework that illustrates the influence of independent variables (Product Quality, Brand Image, and Price) on the dependent variable (Purchase Decision). This is formulated into the following conceptual framework:
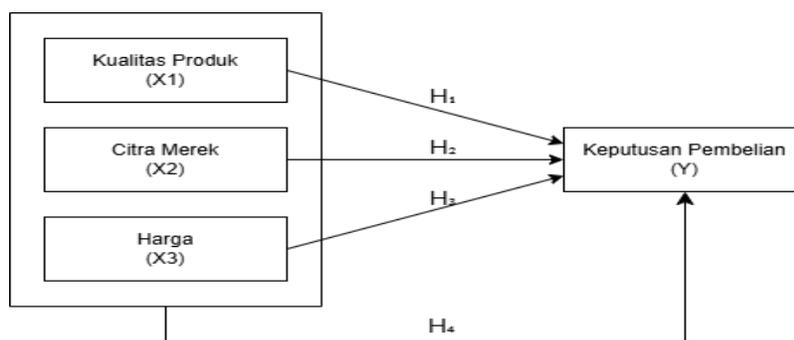
Picture 2. Conceptual Framework

Research Hypotheses

Based on the explanation above, the following hypotheses can be formulated:

H_1: There is an influence of product quality on the purchase decision of Tomoro Coffee among the people of Medan Maimun District.

H_2: There is an influence of brand image on the purchase decision of Tomoro Coffee among the people of Medan Maimun District.

H₃: There is an influence of price on the purchase decision of Tomoro Coffee among the people of Medan Maimun District.

H₄: There is an influence of product quality, brand image, and price on the purchase decision of Tomoro Coffee among the people of Medan Maimun District.

RESEARCH METHOD

This research was conducted in the Medan Maimun Subdistrict, Medan City. The object of this research is the community who has ever tried Tomoro Coffee in the Medan Maimun Subdistrict. The type of research used in this study is quantitative research. Quantitative research is based on the philosophy of positivism and is used to study a particular population or sample. Data collection uses research instruments (Sugiyono, 2019).

The population is the general area of study consisting of objects or subjects with specific quantities and characteristics determined by the researcher to be studied and from which conclusions will be drawn (Sugiyono, 2019). The population in the Medan Maimun Subdistrict is 52,631 people.

A sample is a part of the number and characteristics possessed by the population (Sugiyono, 2019). The sampling technique used in this study is a non-probability sampling technique with a purposive sampling approach. Purposive sampling is a sampling technique that requires specific considerations. The estimated margin of error used in this study is 10%. The criteria set by the researcher are as follows:

Has ever tried Tomoro Coffee.

Aged at least 17 years old.

Resides in the Medan Maimun Subdistrict, Medan City.

$$n = \frac{N}{1 + Ne^2}$$

Note:
n = Minimum required sample size
N = Population size
e = Estimated margin of error (10%)

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$$n = \frac{52.631}{1 + (52.631)(0,1)^2} = 100$$

Based on the above calculation, the total number of samples to be taken in this study is 100 respondents.

Observation is a data collection technique where the researcher directly goes to the field, then observes the phenomena being studied. Afterward, the researcher can describe the issues that occur, which can be connected with other data collection techniques (Sahir, 2021). A questionnaire is a data collection technique conducted by providing a set of written questions or statements to respondents for them to answer (Sugiyono, 2019). The questionnaire in this study uses a Likert scale, where each question has several options, namely:

Table 1. Likert Scale

No	Answer	Skor
1	Strongly Agree	5
2	Agree	4
3	Undecided	3
4	Disagree	2
5	Strongly Disagree	1

Literature study is a data collection technique that is done by collecting theories and data needed to support the research being studied. Data can be obtained from books, journals or other sources.

RESULTS AND DISCUSSION

Table 2. Multiple Linear Regression Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.526	2.335		1.510	.134
	ProductQuality	.080	.031	.198	2.574	.012
	BrandImage	.247	.081	.237	3.037	.003
	Price	.396	.057	.538	6.892	.000

a. Dependent Variable: Purchase Decision

The interpretation of the multiple linear regression equation above is as follows:

1. The constant value of 3.526 indicates a positive sign where if the product quality, brand

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image and price variables are considered zero, then the purchase decision for Tomoro Coffee is 3.526.

2. The regression coefficient value for the product quality variable shows a positive sign of 0.080 where if the product quality variable increases by one unit, then the purchase decision for Tomoro Coffee will increase by 0.080 assuming that other variables are considered constant.

3. The regression coefficient value for the brand image variable shows a positive sign of 0.247 where if the brand image variable increases by one unit, then the purchase decision for Tomoro Coffee will increase by 0.247 assuming that other variables are considered constant.

4. The regression coefficient value for the price variable shows a positive sign of 0.396 where if the price variable increases by one unit, then the purchase decision for Tomoro Coffee will increase by 0.396 assuming that other variables are considered constant.

Hypothesis Testing

Partial Testing (t-Test)

Table 3. Results Partial Testing

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.526	2.335		1.510	.134
	ProductQuality	.080	.031	.198	2.574	.012
	Brand Image	.247	.081	.237	3.037	.003
	Price	.396	.057	.538	6.892	.000

Based on the results of the partial test in the table above, it can be seen that the test results for each independent variable are as follows:

1. The test result for the product quality variable shows a t-value of 2.574, which is greater than the t-table value of 1.985, with a significance value of $0.012 < 0.05$. Therefore, the null hypothesis (H_0) is rejected and the alternative hypothesis (H_a) is accepted, indicating that product quality has a significant influence on the purchase decision of Tomoro Coffee.

2. The test result for the brand image variable shows a t-value of 3.037, which is greater than the t-table value of 1.985, with a significance value of $0.003 < 0.05$. Therefore, the null hypothesis (H_0) is rejected and the alternative hypothesis (H_a) is accepted, indicating that brand image has a significant influence on the purchase decision of Tomoro Coffee.

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3. The test result for the price variable shows a t-value of 6.892, which is greater than the t-table value of 1.985, with a significance value of 0.000 < 0.05. Therefore, the null hypothesis (H₀) is rejected and the alternative hypothesis (Hₐ) is accepted, indicating that price has a significant influence on the purchase decision of Tomoro Coffee.

Simultant Testing (t-Test)

Table 4. Results Simultan Testing

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1111.852	3	370.617	24.408	.000 b
	Residual	1457.708	96	15.184		
	Total	2569.560	99			

a. Dependent Variable: Purchase Decision
b. Predictors: (Constant), Price, Product Quality, Brand Image

Based on the table above, the results of the simultaneous test show that the calculated F-value (Fcount) is 24.408, which is greater than the F-table value of 2.699, with a significance value of 0.000 < 0.05. Therefore, the null hypothesis (H₀) is rejected and the alternative hypothesis (Hₐ) is accepted. This indicates that the independent variables—namely product quality, price, and brand image—collectively have a significant influence on purchase decisions.

Coefficient of Determination Test (R²)

Table 5, Calculation Results of the Coefficient of Determination (R²)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.658ª	.433	.415	3.897

a. Predictors: (Constant), Price, Product Quality, Brand Image

Based on the table above, the coefficient of determination (adjusted R²) obtained is 0.415. This shows that the factors of product quality, brand image, and price are able to explain 41.5% of purchasing decisions, and other variables not examined in this study affect 58.5% of the total.

Discussion

The Influence of Product Quality on Purchase Decisions

The results of the partial test on the product quality variable show that product quality has a significant influence on the purchase decision of Tomoro Coffee. This finding is

consistent with previous research, which also indicated that product quality significantly influences purchase decisions (Sutrisno et al., 2022). The analysis results show that most respondents agree that Tomoro Coffee offers good coffee quality. This suggests that Tomoro Coffee is able to deliver high-quality coffee, characterized by a flavor that reflects the use of premium ingredients, coffee that remains enjoyable even after some time has passed since it was served, and an appealing presentation that stimulates appetite.

The Influence of Brand Image on Purchase Decisions

The results of the partial test on the brand image variable show that brand image has a significant influence on the purchase decision of Tomoro Coffee. This finding is in line with previous studies, which also concluded that brand image significantly affects purchase decisions (Budiyanto, 2019). The analysis indicates that most respondents agree that the Tomoro Coffee brand is easily recognizable due to its modern store concept and simple yet attractive logo. By employing an aggressive expansion strategy and choosing strategic store locations, Tomoro Coffee has successfully built a strong brand image and increased consumer appeal.

The Influence of Price on Purchase Decisions

The results of the partial test on the price variable indicate that price has a significant influence on the purchase decision of Tomoro Coffee. This finding is consistent with previous research, which also found that price significantly affects purchase decisions (Vikar, 2021). The analysis shows that most respondents agree that Tomoro Coffee offers competitive prices compared to other coffee shops. The coffee prices at Tomoro Coffee are considered affordable, align with the level of customer satisfaction received, and are appropriate for the quality of coffee provided.

The Influence of Product Quality, Brand Image, and Price on Purchase Decisions

The results of the simultaneous test on product quality, brand image, and price variables show that these three factors collectively have a significant influence on purchase decisions. Based on the respondents' answers, Tomoro Coffee customers choose to make purchases due to the guaranteed quality of the coffee and its more affordable price compared to other coffee brands. In addition, Tomoro Coffee is known for its rapid growth and aggressive marketing strategy. As a result, Tomoro Coffee outlets are easily found in various strategic locations, such as office areas and university campuses. This increases customer satisfaction and encourages

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repeat purchases of Tomoro Coffee.

CONCLUSIONS AND SUGGESTIONS

1. Based on the research conducted by the researcher titled "The Influence of Product Quality, Brand Image, and Price on the Purchase Decision of Tomoro Coffee among the Community in Medan Maimun District", the following conclusions can be drawn:

2. Simultaneously, the variables of Product Quality, Brand Image, and Price have a significant influence on the Purchase Decision of Tomoro Coffee among the community in Medan Maimun District.

3. Partially, the variables of Product Quality, Brand Image, and Price also have a significant influence on the Purchase Decision of Tomoro Coffee among the community in Medan Maimun District.

4. The result of the coefficient of determination test (Adjusted R Square) is 0.415. This indicates that the variables of Product Quality, Brand Image, and Price collectively influence the Purchase Decision of Tomoro Coffee by 41.5%. The remaining 58.5% is explained by other variables not examined in this study.

Suggestions

Based on the conclusions obtained from this study, the researcher offers the following suggestions:

For the Company

This study found that Product Quality, Brand Image, and Price significantly affect the purchase decision of Tomoro Coffee. Among these three variables, Price has the greatest or most dominant influence. The more affordable the price offered by Tomoro Coffee, the higher the likelihood that consumers will make a purchase. Therefore, it is important for Tomoro Coffee to maintain a competitive pricing strategy, offer attractive promotions, and ensure that the price is aligned with the quality of the coffee in order to increase consumer purchasing interest.

For Future Researchers

In this study, it was identified that three independent variables influence purchase decisions. Future researchers are encouraged to investigate other variables that were not

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examined in this research, such as Promotion. Promotion plays a vital role in making products known to the public, which can subsequently increase purchase decisions. If Tomoro Coffee produces high-quality products but fails to promote them effectively, the public will remain unaware of the product's existence.

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