



The Effect of Product Quality, Brand Image, and Price Perception on the Decision to Purchase Products from PT Toa Coating Indonesia

Mey Syumi

Affiliation: Institut Teknologi dan Bisnis Asia Malang, Indonesia

Correspondence email: meysumi2802@gmail.com

Abstract

Introduction/Main Objectives : The paper examines the influence of product quality, brand image, and price perception on consumer purchasing decisions in Indonesia's paint industry motivated by the growing competition among paint distributors and the increasing importance of brand reputation in shaping consumer preferences

Background Problems : Do product quality, brand image, and price perception significantly influence purchasing decisions among consumers in Indonesia's paint market?

Novelty : The novelty of this paper lies in its integrated examination of both tangible (product quality and price) and intangible (brand image) factors within the paint industry context, an area that has received limited empirical attention in Indonesian research

Research Methods : This research adopts a quantitative approach using survey data collected from 102 respondents who have purchased paint products from various end users. The data were analyzed using correlation and multiple regression tests through SPSS to assess the relationships and significance levels among variables.

Finding/Results : There is a significant relationship between brand image, price perception, and purchasing decisions of consumers. This finding indicates that a positive brand image and a well-perceived price can strongly influence consumers' willingness to make a purchase.

Conclusion: The findings of this research provide valuable insights for companies aiming to increase their sales performance and market competitiveness. Businesses can use these results to strengthen their marketing strategies by focusing on building a consistent brand image and adjusting price perceptions to meet consumer expectations.

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



Introduction

In an era of rapid industrial growth, the paint and coatings industry in Indonesia faces fierce competition. Companies are expected not only to deliver high-quality products but also to create strong brand identities and pricing strategies that align with customer expectations. PT Toa Coating Indonesia, a subsidiary of TOA group from Thailand, PT Toa Coating Indonesia aimed for a sales growth target of around 25% - 30% in 2022, supported by production capacity designed for four operational shifts (BeritaSatu, 2022). Three primary factors product quality, brand image, and perception are become crucial determinants influencing consumer purchase decisions.

Product quality reflects the extent to which a product meets or exceeds customer expectations through attributes such as performance, durability, and reliability, which subsequently enhance customer satisfaction and loyalty. High-quality products are often perceived as more trustworthy and valuable, leading consumers to develop stronger purchase intentions and brand loyalty (Kotler & Keller, 2016). According to Tjiptono (2019), product quality is one of the most critical factors influencing purchasing decisions because it directly affects customer perceptions of value and satisfaction. Previous studies have shown that product quality has a positive and significant effect on consumer purchasing decisions from beauty company in Bandung (Fatya).

Meanwhile, brand image represents how consumers perceive a brand through its reputation, associations, and uniqueness often serving as an implicit indicator of quality and a differentiation factor among competitors. A study in the automotive industry revealed that brand image had a dominant influence on purchasing decisions compared to other variables (Putra et al., 2015). A strong brand reputation has a significant impact on consumers' purchasing decisions regarding the products offered by a company. The way a company markets its products also has a considerable influence on consumer buying behavior (Cindy & Gracia, 2020). Consumers are generally exposed to a large number of advertisements, both in print and on social media, which attracts their interest in the products being promoted at that time. This exposure also increases their curiosity and desire to learn more about the products marketed by the company.

In addition, price perception involves consumers' evaluation of whether the price offered is fair and corresponds with the perceived value of the product. Consumers typically assess not only the absolute price but also the relative price and the benefits obtained compared to other alternatives in the market (Kotler & Armstrong, 2018). When consumers perceive that a product's price is aligned with its quality and performance, they are more likely to form positive purchase intentions. Conversely, when the price is perceived as unfair or inconsistent with value, it may lead to dissatisfaction or switching behavior (Monroe, 2003).

From the above explanation, the writer decided to conduct a study entitled "The Effect of Product Quality, Brand Image, and Price Perception on Consumers' Purchasing Decisions for PT Toa Coating Indonesia's Products". The findings of this research are expected to provide strategic recommendations for the company's management in developing effective marketing strategies to strengthen brand positioning and enhance market share within Indonesia's highly competitive paint industry.

Research Methods

This study employs a quantitative research approach, utilizing statistical analysis and hypothesis testing. The data collection technique is conducted through the distribution of questionnaires. The objects of this research are the variables product quality, brand image, and price perception as independent variables, while the purchase decision serves as the dependent variable. High product quality is expected to have a positive influence on consumer's purchasing decisions, as consumers tend to choose products that meet their expectations in terms of durability, reliability, and performance. A strong brand image also contributes positively to purchasing decisions, as consumers are more likely to purchase products from brands that are perceived as reputable and trustworthy. Meanwhile price perception plays an important role in shaping consumers' evaluation of a product's value; a fair and reasonable price can increase consumer trust and encourage purchase decisions.

The research subjects are consumers who have purchased PT Toa Coating Indonesia's products at least once within the last month, particularly within the Greater Jakarta (Jabodetabek) area. The type of data used in this study is primary data get directly from respondents. The sampling method applied is non-probability sampling using the purposive sampling technique. Based on the calculations using stratified random sampling, a total of ... respondent met the criteria of having purchased paint products within the last month. The data analysis is conducted using multiple linear regression analysis and t-test hypothesis testing to examine the significance of the relationship between product quality, brand image, and price perception on consumers' purchasing decisions for PT Toa Coating Indonesia's products.

The measurement scale used in this study is a Likert scale which is divided into five response options as follows :

1 = Strongly Disagree,

2 = Disagree,

3 = Neutral,

4 = Agree,

5 = Strongly Agree.

Data analysis in this study was carried out using SPSS software to perform classical assumption tests, multiple linear regression analysis, and hypothesis testing. SPSS is an application program with a high capability for statistical analysis and data management within a graphical environment. It provides descriptive menus and simple dialog boxes making it easy to understand and operate. Several analytical activities can be performed easily through pointing and clicking using a mouse which enhance user convenience and efficiency in processing and analyzing data (BPS, 2021).

Result

The researcher conducted a survey using Google Forms, which received participation from ... respondents. The paint industry represents a competitive manufacturing sector that involves the production and distribution of various coating and finishing products used in construction, manufacturing, and home improvement projects. In this study, the industry profile focuses on PT Toa Coating Indonesia's paint products with respondents being consumers who have purchased or used these products within the past three months.

Respondent Analysis

1. Respondent Profile Based on Place of Purchase

Referring to the analysis of the distributed questionnaire results, the researcher obtained the following details regarding the respondents profile based on place of purchase:

Table 1. Respondent Profile Based on Place of Purchase

Place of Purchase	Number of Respondents	Percentage
Mitra 10	49	48.04%
Arthajaya	5	4.9%
Tirta Bangunan	12	11.77%
Depo Bangunan	10	9.8%
Other	26	25.49%

Source : Processed by the Researcher, 2024

The data show that majority of respondents, purchased PT Toa Coating Indonesia's products through Mitra 10 which is 48.04%. Meanwhile, Tirta Bangunan (11.77%) and Depo Bangunan (9.8%) follow as other popular choices. A significant portion of respondents, 25.49% reported purchasing from other outlets, which may include local hardware stores or independent distributors. This indicates that while Mitra 10 serves as the primary distribution channel.

Test Analysis

1. Validity Test

Table 2 Validity Test

Variable	r-xy	r-table	Description
Product Quality	0,615	0,195	Valid
Brand Image	0,324	0,195	Valid
Price Perception	0,480	0,195	Valid

Based on the validity test results presented in the table above, all variables in this study meet the validity criteria. The r-count (r-xy) values for Product Quality (0.615), Brand Image (0.324), and Price Perception (0.480) are all greater than the r-table value of 0.195. According to validity testing theory, when the r-count exceeds the r-table value, the instrument items are considered valid, meaning they accurately measure the intended variables.

2. Reliability Test

Table 3 Reliability Test

Cronbach's Alpha	N of Items
.893	4

Based on the output table above, the Cronbach's Alpha value is 0.893. Since the Cronbach's Alpha value of 0.893 is greater than 0.6, it can be concluded that all variables used in this study are reliable and consistent according to reliability testing theory. A Cronbach's Alpha value above 0.6 indicates that the measurement items used to represent each variable have a high level of internal consistency, meaning that respondents provided relatively stable and consistent answers across similar statements.

3. Normality Test

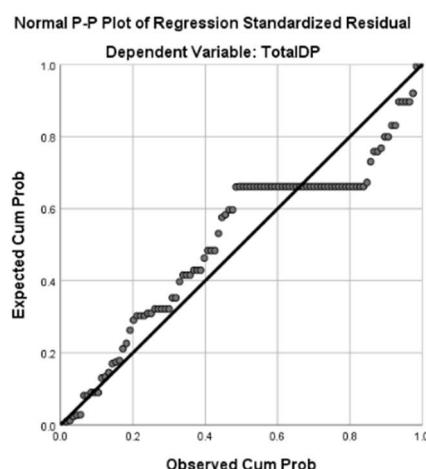


Figure 3. Probability Plot results, the data points appear to align closely with the diagonal line and follow its direction. This condition indicates that the data in this study are normally distributed.

4. Regression Test

Table 4 Regression Test

Model	B	Std Error	Beta	T	Sig.
(Constant)	2,427	0,748		3,245	0,002
Product Quality	0,615	0,148	0,353	4,169	0,000
Brand Image	0,324	0,182	0,166	1,776	0,079
Price Perception	0,480	0,119	0,346	4,028	0,000

Based on the t-test results presented in Table 7, the relationship between each independent variable—Product Quality, Brand Image, and Price Perception—and the dependent variable, Purchase Decision, was examined. The significance value (Sig.) for Product Quality is 0.000, which is smaller than 0.05, indicating a significant relationship between product quality and purchase decisions. The t-value of 4.169 with a positive coefficient ($B = 0.615$) shows that product quality has a positive and significant effect on consumers' purchasing decisions. This means that the better the quality of the product offered by PT Toa Coating Indonesia, the higher the likelihood that consumers will decide to purchase it.

For the Brand Image variable, the significance value is 0.079, which is greater than 0.05, indicating that brand image does not have a statistically significant effect on purchase decisions in this study. However, the positive B value (0.324) and Beta coefficient (0.166) suggest that brand image still contributes positively, albeit insignificantly, to consumer purchase behavior—implying that an enhanced brand reputation could potentially increase purchase intention in future contexts.

Meanwhile, the Price Perception variable shows a significance value of 0.000, which is smaller than 0.05, indicating a significant relationship with purchase decisions. The t-value of 4.028 and the B coefficient of 0.480 demonstrate that price perception has a positive and significant influence on purchasing decisions. This implies that when consumers perceive the price of PT Toa Coating Indonesia's products as fair and reasonable relative to their quality, they are more likely to make a purchase.

Discussion

The research findings indicate a significant relationship between product quality and price perception with consumers' purchasing decisions for PT Toa Coating Indonesia's products. This conclusion is supported by the significance values obtained, which are less than 0.05, confirming the statistical significance of these variables. Specifically, the t-test results show that product quality (Sig. = 0.000) and price perception (Sig. = 0.000) both have a significant and positive influence on purchasing decisions, while brand image (Sig. = 0.079) does not show a statistically significant effect. These results suggest that consumers' decisions to purchase paint products are primarily driven by their perception of quality and price fairness rather than by brand image alone.

The findings further reveal that product quality plays the most dominant role in influencing purchase decisions, as indicated by its higher t-value (4.169) and Beta coefficient (0.353). This shows that consumers tend to prefer paint products that are durable, reliable, and consistent in performance. Meanwhile, price perception also has a strong impact ($t = 4.028$; Beta = 0.346), suggesting that consumers are sensitive to value for money when deciding to buy PT Toa Coating Indonesia's products. Although brand image does not have a statistically significant effect, its positive coefficient indicates that maintaining a good brand reputation can still indirectly strengthen consumer trust and loyalty.

Overall, the regression analysis demonstrates that product quality and price perception partially and simultaneously influence purchasing decisions. This implies that improvements in these two aspects can significantly increase the likelihood of purchase.

Conclusion

Based on the results of the study, it can be concluded that there is a significant relationship between brand image, price perception, and purchasing decisions of consumers. This finding indicates that a positive brand image and a well-perceived price can strongly influence consumers' willingness to make a purchase. The results also highlight that both variables have a substantial partial and simultaneous effect on purchasing decisions, as reflected in the regression analysis where the significance value was less than 0.05. This emphasizes the importance of maintaining a strong brand image and competitive pricing strategy to enhance consumer trust and encourage purchase intentions.

The findings of this research provide valuable insights for companies aiming to increase their sales performance and market competitiveness. Businesses can use these results to

strengthen their marketing strategies by focusing on building a consistent brand image and adjusting price perceptions to meet consumer expectations.

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