

## Marketing Mix and Service Choice in Photography MSMEs: The Mediating Role of Branding and the Moderating Role of Price

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### ABSTRACT

This study examines how elements of the marketing mix influence consumer decisions in photography services, with particular attention to the mediating role of branding and the moderating role of price. A quantitative cross-sectional survey was conducted with 230 users of Fannani Photo services, selected through purposive sampling. Data were collected using a structured Likert-scale questionnaire and analyzed with structural equation modeling to assess direct, mediating, and moderating effects. The findings reveal that product quality, branding, and price significantly shape service decisions, while visual promotion and service quality do not exert direct effects but influence branding, which in turn mediates the relationship between product quality and consumer choice. Moreover, price strengthens the effects of product quality and visual promotion, though not service quality, on decision-making. The study contributes theoretically by integrating branding and price into the marketing mix framework, providing clarity to inconsistent findings in prior research, and offers practical insights for creative MSMEs to enhance product quality, build consistent branding strategies, and leverage price as a competitive advantage in the digital marketplace.

### Keywords:

marketing mix,  
branding, price,  
service decision,  
SEM-PLS.

### INTRODUCTION

The rapid advancement of digital technologies and the expansion of social media platforms have transformed consumer decision-making across service industries. Globally, firms increasingly rely on speed of information, visual content, and service personalization to attract consumers (Dwivedi et al., 2021). Visual-based platforms such as Instagram and TikTok play a critical role in shaping consumer behavior, particularly in creative service sectors like photography. This trend is especially relevant in Indonesia, where internet penetration reached 79.5% of the population approximately 221 million users in 2024 (APJII, 2024).

The photography sector has grown rapidly in response to rising demand for personal and commercial documentation services, yet heightened competition among micro, small, and medium sized enterprises (MSMEs) compels business owners to pursue differentiation through optimized marketing strategies, strong brand positioning, and competitive pricing. A representative case is Fannani Photo, which illustrates the difficulty of sustaining sales performance despite applying elements of the marketing mix.

Theoretically, this study is grounded in Consumer Value Theory, which posits that purchase decisions are shaped by consumers' evaluation of value derived from product quality, service quality, branding, and price (Dzogbenuku et al., 2024; Yu et al., 2021). It is further informed by the Service Dominant Logic perspective, which emphasizes that value is co-created through consumer experiences and perceptions rather than embedded solely in the product. These frameworks provide a robust lens to analyze how the marketing mix interacts with branding and price in shaping consumer decisions within service contexts.

Previous studies on the marketing mix and consumer decision-making reveal inconsistent results. For instance, some found visual promotion significantly influences service choice (Elisabeth et al., 2020), whereas others reported weak or non-significant effects (Cahya et al., 2020). Similarly, service quality has been shown to determine satisfaction and decision-making (Jahani & Saepudin, 2022), yet conflicting findings also exist (Sipayung & Ananda

Rustam, 2022). Even product quality, often regarded as the strongest predictor, has produced mixed evidence—some studies link it to satisfaction rather than direct purchase decisions (Aprillaurel & Halim, 2024).

These contradictions expose clear research gaps. First, the effects of visual content promotion, service quality, and product quality on consumer decision-making remain inconsistent. Second, branding has rarely been conceptualized as a mediating variable, despite its theoretical role in strengthening value perceptions and differentiation (Nur Hikmah et al., 2025). Third, price has seldom been tested as a moderating factor, even though consumer value theory emphasizes its critical role in reinforcing or weakening the impact of marketing strategies (Ramizares et al., 2024).

Building on these gaps, this study addresses the following research question: How does the marketing mix influence consumer decisions in the photography service sector, considering branding as a mediating variable and price as a moderating variable?

This inquiry is significant for two reasons. From an academic perspective, it advances service marketing literature by integrating mediation and moderation into the marketing mix framework, offering clarity amid conflicting prior findings. From a practical perspective, it provides MSMEs in the creative economy with evidence based guidance on how to design adaptive marketing strategies that align with the behaviors and expectations of digital-era consumers.

## **Literature Review**

### **1. Marketing Mix (7P Framework)**

The marketing mix is a core concept in marketing strategy, originally conceptualized as 4Ps and later extended to 7Ps product, price, promotion, place, people, process, and physical evidence. These elements collectively influence consumer behavior and decision-making in both goods and service contexts (Zeithaml, V. A., et al., 2020). Recent evidence suggests that consistent implementation of the marketing mix enhances consumer trust and strengthens purchase decisions in service industries (Karlina et al., 2019).

### **2. Decision on Selection of Services**

The decision to use a service can be described as a process in which buyers evaluate and choose between various available options with the aim of determining the best choice that best suits their specific needs, preferences, and interests (Paujiah et al., 2022). The decision-making procedure includes the following (Assauri, 2019): Problem identification, Information research, Evaluation of other options, Purchase decision, Post-purchase behavior.

### **3. Visual Content Promotion**

Visual content promotion through digital and social media has become central in shaping consumer perceptions. Effective visual content increases attention, emotional attachment, and purchase intention (Dwivedi et al., 2021). Yet, findings remain inconsistent. For instance, Elisabeth et al., (2020), confirmed that visual promotion significantly influenced photography service purchases, whereas Cahya et al., (2020) found no significant impact in e-commerce contexts. These mixed results indicate a research gap requiring further testing within creative service industries. The indicators that can be used to measure Visual content promotion are as follows (Sopari & Alawiyah, 2024) and (Cahya et al., 2020): Image or Design, Layout, Color, Media for promotion, Promotion Frequency.

### **4. Service Quality**

Service quality can be defined as the overall characteristics of a product or service that focus on its ability to meet or satisfy customer needs and expectations in order to survive competition and maintain customer trust (Erinawati & Syafarudin, 2021). To assess service

quality, several indicators are used, as seen in (Tondy & Suprpto, 2024): Reliability, Responsiveness, Assurance, Empathy, Tangibles.

## 5. Product Quality

Product quality is a product or service that reflects the extent to which the product or service is able to meet consumer needs and expectations, both explicit and implicit (Lotulung et al., 2023). Product quality indicators can be evaluated using eight dimensions, namely (Cesariana et al., 2022): Performance, Features or Attributes, Serviceability, Perceived Quality, Aesthetics.

## 6. Branding

Branding or brand image is an important process for building the identity of a product, service, or company related to consumer perceptions, assumptions, and feelings (Dieva & Dermawan, 2023). To assess branding, several indicators are used as seen by (Dieva & Dermawan, 2023) and (Hidayati, 2023): Digital marketing, Social media, Website, Reputation, Trust.

## 7. Price

Price does not only represent the cost that customers must pay, but also reflects the value or benefits obtained from owning or using a product or service. As one of the main components in marketing strategy, price plays a strategic role in influencing consumer behavior (Pratiwi, 2021). The indicators that can be used to measure price are as follows, according to (Robiah & Hermawan Adinugraha, 2022) and (Maulida, 2021): Affordability and quality, Competitive prices, Discounts, Product prices and benefits, Affordability.

## Conceptual Framework

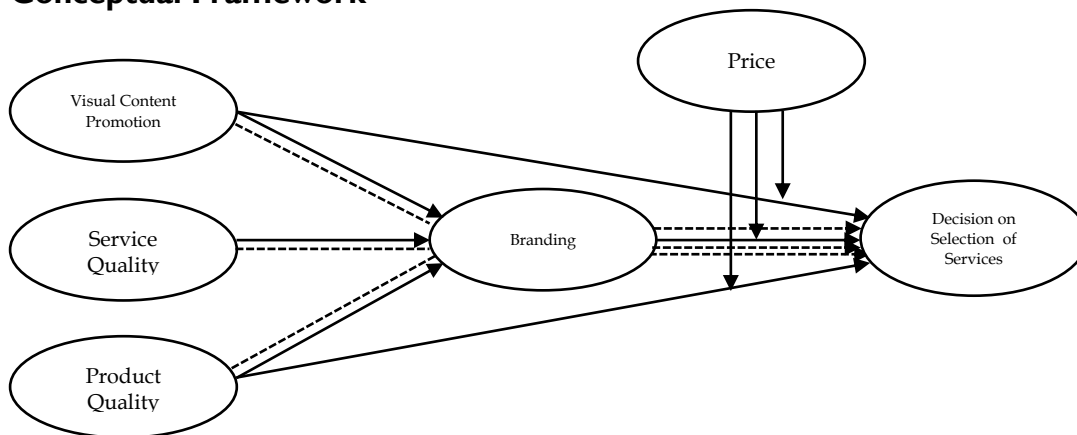


Figure. Conceptual Framework

## METHOD

This study employed a quantitative cross sectional survey design preceded by an exploratory qualitative stage. An initial interview with the owner of Fannani Photo was conducted to identify service related issues and refine measurement items. The main survey was then distributed online between February and July 2025, yielding 230 valid responses from consumers who had previously used the company's services. A purposive sampling strategy was applied to ensure that participants were relevant to the research context, and the sample size exceeded the minimum recommended threshold of five to ten observations per indicator (Hair et al., 2017).

The structured questionnaire was adapted from validated scales in prior studies, covering visual content promotion, service quality, product quality, branding, price, and service decision. Items were rated on a five-point Likert scale ranging from strongly disagree

(1) to strongly agree (5). A pilot test with 30 respondents confirmed clarity and contextual appropriateness. Data collection was conducted online via Google Forms, with voluntary participation and confidentiality guaranteed to minimize response bias.

Data analysis was performed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 3.0, a method suitable for examining complex models involving mediation and moderation (Hair et al., 2017). The measurement model was assessed through factor loadings, Average Variance Extracted, Cronbach's Alpha, Composite Reliability, and discriminant validity using the HTMT criterion. The structural model was then evaluated by examining path coefficients, t-values, p-values,  $R^2$  values, and overall model fit using the SRMR index. Mediation effects of branding and the moderating role of price were further tested using bootstrapping procedures.

The overall research process followed a sequential flow beginning with qualitative exploration, instrument development, and survey implementation, followed by data preparation, measurement validation, and structural model analysis, which together provided the basis for testing the proposed hypotheses.

## RESULTS AND DISCUSSION

### Measurement Model Evaluation (Outer Model)

The measurement model evaluation was conducted to ensure that the research instrument can accurately and consistently measure the latent constructs. Three key aspects were assessed in the measurement model, namely convergent validity, reliability, and discriminant validity.

**Table 2.** Output Construct Reliability and Validity (AVE)

Konstruk	AVE	Kesimpulan Validitas	Cronbach's Alpha	Composite Reliability	Reliabilitas
Visual Content Promotion (X1)	0.512	Valid	0.683	0.808	Reliabel
Service Quality (X2)	0.541	Valid	0.722	0.822	Reliabel
Product Quality (X3)	0.612	Valid	0.669	0.818	Reliabel
Branding (Z)	0.538	Valid	0.710	0.822	Reliabel
Price (M)	0.585	Valid	0.634	0.806	Reliabel
Decision on Selection of Services (Y)	0.512	Valid	0.677	0.805	Reliabel
VCP * Price	1.000	Valid	1.000	1.000	Reliabel
SerQu * Price	1.000	Valid	1.000	1.000	Reliabel
ProQu * Price	1.000	Valid	1.000	1.000	Reliabel

Convergent validity was assessed using the Average Variance Extracted (AVE). A construct is considered to meet the criterion for convergent validity if its AVE value exceeds 0.50, indicating that the indicators explain more than 50% of the variance in the latent construct (Nabila & Prastowo, 2025). As presented in Table 1, all constructs demonstrated AVE values greater than 0.50. Thus, it can be concluded that all indicators satisfy the requirement for convergent validity and adequately represent their respective latent constructs.

Construct reliability was evaluated using Cronbach's Alpha and Composite Reliability (CR). According to Prastowo et al., (2024), a Cronbach's Alpha value above 0.70 indicates strong reliability in confirmatory research, while values above 0.60 are acceptable in exploratory research. Furthermore, CR values greater than 0.70 reflect good internal consistency. As shown in Table 1, all constructs achieved Cronbach's Alpha values above 0.60

and CR values above 0.80. These results confirm that the research instrument is both consistent and reliable in measuring the specified constructs.

### Discriminant Validity Test

Discriminant validity was examined to ensure that each construct in the model is unique and distinct from the others. This assessment employed the Heterotrait-Monotrait Ratio (HTMT), with values below 1.0 indicating sufficient discriminant validity (Maharani & Prastowo, 2025).

**Table 3. Heterotrait Monotrait Ratio (HTMT)**

	Brandin g (Z)	Price (M)	Decision on Selection of Services (Y)	Service Quality (X2)	Produc t Quality (X3)	VCP * Harg a	SerQu * Harga	ProQu * Harga	Visual Conte nt Promo tion (X1)
Branding (Z)									
Price (M)	0.729								
Decision on Selection of Services (Y)	0.739	0.831							
Service Quality (X2)	0.504	0.320	0.383						
Product Quality (X3)	0.858	0.767	0.817	0.489					
VCP * Price	0.304	0.196	0.123	0.165	0.376				
SerQu * Price	0.211	0.121	0.102	0.089	0.227	0.423			
ProQu * Price	0.482	0.496	0.519	0.188	0.593	0.495	0.573		
Visual Content Promotion (X1)	0.566	0.489	0.419	0.414	0.429	0.429	0.191	0.334	

Table 3 reveals that all HTMT values across constructs were below the threshold of 1.0, confirming that the constructs are empirically distinct. Accordingly, the research instrument demonstrates satisfactory discriminant validity.

Overall, the results of the measurement model evaluation confirm that the research instrument fulfills all criteria for validity and reliability. Therefore, the constructs used in this study are both valid and consistent, making them suitable for subsequent structural model analysis.

### Structural Model Evaluation (Inner Model)

#### Variance Inflation Factor (VIF) Test

The Variance Inflation Factor (VIF) was applied to assess potential collinearity among constructs. According to Hair et al., (2017), acceptable VIF values fall within the range of >0.20 to <5, while values exceeding 5 indicate problematic collinearity that may bias model estimation.

**Table 4. Collinearity Statistic (VIF)**

	Branding (Z)	Decision on Selection of Services (Y)
Visual Content Promotion (X1)	1.148	1.359
Service Quality (X2)	1.207	1.259
Product Quality (X3)	1.193	1.956

	Branding (Z)	Decision on Selection of Services (Y)
Branding (Z)		1.907
Price (M)		1.551
Decision on Selection of Services (Y)		
VCP * Harga		1.499
SerQu * Harga		1.604
ProQu * Harga		2.205

As presented in Table 4, all constructs demonstrated VIF values well below the threshold of 5. This finding confirms the absence of significant multicollinearity among the exogenous variables. Consequently, the structural model can be considered free from collinearity issues, ensuring the robustness and accuracy of subsequent path coefficient estimations.

### Model Fit Test

The overall validity of the structural model was evaluated using the Standardized Root Mean Square Residual (SRMR). According to (Sugeng Lubar Prastowo et al., 2023), an SRMR value below 0.10 indicates a satisfactory model fit.

**Table 5. Model Fit Test**

	Saturated Model	Estimated Model
<b>SRMR</b>	0.085	0.086

As presented in Table 5, both the saturated model (0.085) and the estimated model (0.086) yielded SRMR values below the recommended threshold. These results confirm that the proposed model achieves an acceptable level of fit, thereby supporting the robustness of the structural relationships specified in the analysis.

### R-Square (R<sup>2</sup>) Test

The coefficient of determination (R<sup>2</sup>) was used to evaluate the model's predictive power, indicating the proportion of variance in the endogenous constructs explained by the exogenous constructs. According to (Hair et al., 2017), R<sup>2</sup> values of 0.75, 0.50, and 0.25 can be interpreted as strong, moderate, and weak, respectively.

**Table 6. R Square**

	R Square	R Square Adjusted
Branding (Z)	0.441	0.434
Decision on Selection of Services (Y)	0.488	0.470

Table 6, the R<sup>2</sup> value for Branding is 0.441, suggesting that 44.1% of its variance is explained by Visual Content Promotion, Service Quality, and Product Quality, while 55.9% is attributable to other unobserved factors. Similarly, the R<sup>2</sup> value for the Decision on Selection of Services is 0.488, indicating that 48.8% of its variance is explained by the same three predictors, with the remaining 51.2% influenced by factors beyond the model. These results demonstrate a moderate level of explanatory power for both endogenous constructs.

### Path Coefficients Test

The significance of hypothesized relationships was evaluated using the path coefficient test, with relationships considered significant at the 5% level if the T-statistic > 1.96 and the p-value < 0.05 (Hair et al., 2017).



**Table 7. Path Coefficients (Direct Effects)**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
Visual Content Promotion (X1) -> Decision on Selection of Services (Y)	0.062	0.062	0.057	1.087	0.277
Service Quality (X2) -> Decision on Selection of Services (Y)	0.032	0.030	0.062	0.522	0.602
Product Quality (X3) -> Decision on Selection of Services (Y)	0.281	0.277	0.072	3.888	0.000
Branding (Z) -> Decision on Selection of Services (Y)	0.174	0.190	0.082	2.126	0.034
Price (M) -> Decision on Selection of Services (Y)	0.230	0.224	0.076	3.017	0.003
Visual Content Promotion (X1) -> Branding (Z)	0.203	0.212	0.061	3.342	0.001
Service Quality (X2) -> Branding (Z)	0.156	0.161	0.064	2.423	0.015
Product Quality (X3) -> Branding (Z)	0.494	0.488	0.065	7.640	0.000

**Sub-Structure I: Effects on Service Selection Decisions**

1. Visual Content Promotion (X1 → Y).

The effect of visual content promotion on service selection decisions was positive but nonsignificant ( $\beta = 0.062$ ,  $p = 0.277$ ). This result indicates that visual promotional strategies alone are insufficient to directly influence consumers' decision-making. Instead, their role may be more effective in shaping perceptions and building engagement, which subsequently enhances branding outcomes. Prior studies highlight that visual content often contributes indirectly through strengthening brand identity and consumer involvement rather than serving as a direct determinant of purchasing behavior (Yuliono & Rochmaniah, 2025; Khalid & Siddiqui, 2019).

2. Service Quality (X2 → Y).

The relationship between service quality and service selection was also nonsignificant ( $\beta = 0.032$ ,  $p = 0.602$ ). While service excellence is widely acknowledged as a critical factor in consumer satisfaction, its direct influence on selection decisions in this context appears minimal. This finding contrasts with research suggesting that service quality enhances decision-making indirectly via trust and brand commitment (Huat et al., 2021). It is plausible that in markets with increasingly standardised service delivery, consumers rely more heavily on other factors, such as product quality or price competitiveness, in their decision processes.

3. Product Quality (X3 → Y).

Product quality demonstrated a significant effect ( $\beta = 0.281$ ,  $p < 0.001$ ), underscoring its centrality in driving consumer choices. This outcome reinforces the argument that tangible product attributes serve as the cornerstone of consumer evaluation and decision-making. Previous studies similarly confirm that superior product quality not only shapes consumer trust but also fosters long-term satisfaction and loyalty (Sheykhfard et al., 2023). This evidence suggests that in competitive service markets, product quality remains a decisive factor that distinguishes providers.

4. Branding (Z → Y).

Branding exerted a significant effect on service selection ( $\beta = 0.174$ ,  $p = 0.034$ ). This finding affirms branding as a mediating mechanism that bridges marketing initiatives and consumer choices. Strong brand equity enhances perceived value, reduces perceived risk, and nurtures consumer loyalty, consistent with research emphasizing branding's pivotal role in sustaining competitive advantage (Hamacher & Buchkremer, 2022). This result highlights the necessity

of investing in brand-building activities as a long-term strategy for influencing consumer decision-making.

**5. Price ( $M \rightarrow Y$ ).**

Price demonstrated a significant and direct effect ( $\beta = 0.230$ ,  $p = 0.003$ ). Consumers' perception of price fairness significantly influences their decision to select services, aligning with studies emphasizing the importance of perceived price–value balance (Fahid et al., 2020). Transparent and justifiable pricing not only enhances perceived value but also reinforces trust, particularly in markets characterized by high competition and limited product differentiation.

From the results of the hypothesis test of direct influence on Substructure 1, the following regression equation can be made:

$$Y = \beta_1.X_1 + \beta_2.X_2 + \beta_3.X_3 + \beta_4.Z + \beta_5.M + e \dots\dots\dots(1)$$

$$\text{Decision on Selection of Services} = \beta_1.\text{Visual Content Promotion} + \beta_2.\text{Service Quality} + \beta_3.\text{Product Quality} + \beta_4.\text{Branding} + \beta_5.\text{Price} + e \dots\dots\dots(2)$$

$$\text{Decision on Selection of Services} = 0,062.\text{Visual Content Promotion} + 0,032.\text{Service Quality} + 0,281.\text{Product Quality} + 0,174.\text{Branding} + 0,230.\text{Price} + e \dots\dots\dots(3)$$

$$Y = 0,062.X_1 + 0,032.X_2 + 0,281.X_3 + 0,174.Z + 0,230.M + e \dots\dots\dots(4)$$

**Sub-Structure 2: Effects on Branding**

**1. Visual Content Promotion ( $X_1 \rightarrow Z$ ).**

Visual content promotion significantly enhanced branding ( $\beta = 0.203$ ,  $p = 0.001$ ). Engaging, aesthetic, and storytelling-driven content fosters emotional connections and communicates brand values effectively, thereby strengthening brand image and salience. Prior studies affirm that strategic use of digital visual content can elevate brand awareness and identity, particularly in SMEs and community-based enterprises (Rokhim et al., 2021; Ismawanti, 2025).

**2. Service Quality ( $X_2 \rightarrow Z$ ).**

Service quality also exerted a significant positive effect on branding ( $\beta = 0.156$ ,  $p = 0.015$ ). Reliable and consistent service delivery enhances credibility, which is essential for cultivating trust and reinforcing long-term brand equity. This is consistent with branding models in healthcare and service sectors, where credibility derived from service quality is foundational for sustaining brand reputation (Afzal et al., 2016; Elrod & Fortenberry, 2018).

**3. Product Quality ( $X_3 \rightarrow Z$ ).**

Product quality exhibited the strongest impact on branding ( $\beta = 0.494$ ,  $p < 0.001$ ). This finding emphasizes that superior product offerings form the foundation of a strong and resilient brand. Consistent with Miao et al., (2022), product excellence not only creates differentiation but also serves as the most enduring driver of brand strength.

From the results of the hypothesis test of direct influence on Substructure 2, the following regression equation can be made:

$$Z = \beta_1.X_1 + \beta_2.X_2 + \beta_3.X_3 + e \dots\dots\dots(5)$$

$$\text{Branding} = \beta_1.\text{Visual Content Promotion} + \beta_2.\text{Service Quality} + \beta_3.\text{Product Quality} + e \dots\dots\dots(6)$$

$$\text{Branding} = 0,203.\text{Visual Content Promotion} + 0,156.\text{Service Quality} + 0,494.\text{Product Quality} + e \dots\dots\dots(7)$$

$$Z = 0,203.X_1 + 0,156.X_2 + 0,494.X_3 + e \dots\dots\dots(8)$$

**Theoretical Implications**

- 1) **Brand as Mediator:** The findings substantiate branding's mediating role, thereby extending understanding of how marketing actions translate into consumer decision-making (Elrod & Fortenberry, 2018).



- 2) Extension of Brand Equity Theory: The results broaden brand equity theory by demonstrating the complementary influence of product quality and promotional strategies in shaping brand-driven consumer behavior (Rokhim et al., 2021).
- 3) Relative Importance of Predictors: The study clarifies the relative weight of antecedents, with product quality emerging as the most dominant determinant of both branding and decision-making (Afzal et al., 2016).

### Practical Implications

- 1) Prioritize Product Quality: Firms should place product quality at the center of their strategic priorities, as it not only strengthens branding but also directly shapes consumer choices (Miao et al., (2022).
- 2) Leverage Branding as a Strategic Asset: Investments in branding activities should be emphasized to bridge marketing initiatives and consumer loyalty (Elrod & Fortenberry, 2018).
- 3) Use Visual Content and Service Quality to Enhance Brand Value: These factors, while not directly influencing decisions, significantly support brand development and should be integrated into brand communication strategies (Rokhim et al., 2021; Ismawanti, 2025).
- 4) Adopt Fair Pricing Policies: Transparent and fair pricing practices are critical for reinforcing consumer trust and facilitating favorable service selection decisions.

### Mediation Test

Mediation analysis was conducted to assess whether branding mediates the influence of visual content promotion, service quality, and product quality on service selection decisions. Following established criteria, an indirect effect is considered significant when the T statistic exceeds 1.96 and the p-value is below 0.05.

**Table 8. Specific Indirect Effect (Indirect Effect Mediantion Test)**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Visual Content Promotion (X1) -> Branding (Z) -> Decision on Selection of Services (Y)	0.035	0.040	0.021	1.686	0.092
Service Quality (X2) -> Branding (Z) -> Decision on Selection of Services (Y)	0.027	0.032	0.020	1.349	0.177
Product Quality (X3) -> Branding (Z) -> Decision on Selection of Services (Y)	0.086	0.094	0.043	1.986	0.047

1. Visual Content Promotion → Branding → Service Selection  
The mediation effect was positive but nonsignificant ( $\beta = 0.035$ ,  $T = 1.686$ ,  $p = 0.092$ ). This suggests that while visual content contributes to enhancing brand visibility and consumer engagement, it does not significantly translate into brand-mediated decisions. Consistent with prior findings, visual promotion tends to shape *brand identity* and consumer awareness rather than serving as a direct determinant of purchase behavior (Dwivedi et al., 2021).
2. Service Quality → Branding → Service Selection  
The mediation pathway was positive yet nonsignificant ( $\beta = 0.027$ ,  $T = 1.349$ ,  $p = 0.177$ ). Although service quality enhances brand reputation, its indirect effect on consumer choice was not statistically meaningful. This contrasts with studies emphasizing its role in building trust and loyalty but supports recent perspectives that in competitive markets, service

quality may act more as a baseline expectation (*hygiene factor*) rather than a differentiating advantage (Pratiwi et al., 2021).

### 3. Product Quality → Branding → Service Selection

The mediation effect was significant ( $\beta = 0.086$ ,  $T = 1.986$ ,  $p = 0.047$ ). This finding indicates that branding partially channels the influence of product quality on consumer service selection, highlighting the centrality of superior product attributes in shaping brand equity and consumer trust. This aligns with evidence that product quality forms the foundation of brand strength and purchase intentions (Shpak et al., 2021).

Overall, the findings indicate that branding functions as a critical mediating channel, particularly in translating product quality into consumer decision-making. Visual content promotion and service quality, although relevant to brand-building, did not demonstrate significant indirect effects. This highlights product quality as the strongest driver of brand-based decision pathways, consistent with the broader literature emphasizing quality as the foundation of brand equity and consumer trust.

From the results of testing the hypothesis of the mediating effect, the following regression equation can be derived:

$$Z = \beta_1.X_1 + \beta_2.X_2 + \beta_3.X_3 + e \dots\dots\dots(9)$$

$$\text{Branding} = \beta_1.\text{Visual Content Promotion} + \beta_2.\text{Service Quality} + \beta_3.\text{Product Quality} + e \dots\dots\dots(10)$$

$$\text{Branding} = 0,035.\text{Visual Content Promotion} + 0,027.\text{Service Quality} + 0,086.\text{Product Quality} + e \dots\dots\dots(11)$$

$$Z = 0,203.X_1 + 0,156.X_2 + 0,494.X_3 + e \dots\dots\dots(12)$$

### Theoretical Implications

This study contributes to the literature by clarifying the differentiated mediating role of branding in consumer decision-making models. First, the findings confirm that branding mediates the influence of product quality on service selection decisions, but not the effects of service quality or visual content promotion. This aligns with prior research showing that product quality remains the cornerstone of brand equity and consumer trust, thereby shaping decision-making outcomes (Ramizares et al., 2024; Duh & Pwaka, 2023).

Second, the results extend brand equity theory by demonstrating that elements of the marketing mix play distinct roles in consumer evaluation processes. Product quality emerges as the strongest indirect driver of service choice through branding, reinforcing the view that superior product attributes are indispensable for building brand strength and loyalty (Dzogbenuku et al., 2024; Cai et al., 2025).

Third, the study highlights the contextual nature of mediation. Visual content promotion and service quality, while positively related to branding, did not exert significant indirect effects on service selection decisions. This supports the argument that visual marketing is better positioned as a tool for brand awareness and identity-building rather than a direct determinant of purchase intentions (Peng et al., 2024). Collectively, these findings refine theoretical models by emphasizing that branding's mediating power is contingent on the relative importance of product differentiation in consumer evaluations.

### Practical and Managerial Implications

From a managerial standpoint, the results provide actionable insights.

- 1) **Prioritize Product Excellence.** Firms should place product quality at the core of their strategic efforts. Superior product attributes are most likely to strengthen brand equity and subsequently drive consumer service selection, confirming its role as the most decisive factor (Ramizares et al., 2024; Cai et al., 2025).

- 2) Leverage Visual Content Strategically. Visual promotional campaigns should be utilized primarily to reinforce brand identity and consumer engagement rather than to directly influence purchase decisions. This finding underscores the importance of aligning visual strategies with long-term brand-building objectives (Peng et al., 2024).
- 3) Reframe Service Quality. Managers should treat service quality as a necessary baseline for credibility and competitiveness but recognize that its impact on consumer choice is limited without the support of strong branding (Duh & Pwaka, 2023).
- 4) Strengthen Branding as a Strategic Asset. Branding must be actively managed as a bridge between product excellence and consumer decision-making. A strong brand not only translates product quality into consumer trust but also secures long-term loyalty and competitive advantage (Dzogbenuku et al., 2024).

### Moderation Test

Moderated testing evaluates the influence of independent variables on dependent variables by considering the role of moderator variables. The analysis was conducted using Moderated Regression Analysis (MRA) in accordance with the mathematical model of the relationship between variables (Rianto Rahadi & Mifta Farid, 2021).

**Table 9. Path Coefficients (Indirect Effect Moderation Test)**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
VCP * Price -> Decision on Selection of Services (Y)	0.139	0.142	0.053	2.636	0.008
SerQu * Price -> Decision on Selection of Services (Y)	0.095	0.094	0.072	1.313	0.189
ProQu * Price -> Decision on Selection of Services (Y)	-0.191	-0.187	0.054	3.544	0.000

The moderation analysis evaluated the role of price in shaping the effects of visual content promotion, service quality, and product quality on service selection decisions. Table 9 summarizes the findings.

1. Visual Content Promotion x Price → Service Selection ( $\beta = 0.139$ ,  $p = 0.008$ ). The interaction effect was positive and significant, suggesting that pricing strengthens the influence of visual content promotion on consumer decisions. This aligns with prior evidence that fair and transparent pricing enhances the persuasiveness of promotional content by increasing perceived value (Peng et al., 2024).
2. Service Quality x Price → Service Selection ( $\beta = 0.095$ ,  $p = 0.189$ ). The effect was positive but nonsignificant. While service quality contributes to brand credibility, its interaction with price did not significantly alter consumer decisions. This contrasts with studies highlighting service quality and price as joint drivers of satisfaction and loyalty (Duh & Pwaka, 2023), suggesting that in this context, service quality functions more as a baseline requirement rather than a differentiating factor.
3. Product Quality x Price → Service Selection ( $\beta = -0.191$ ,  $p < 0.001$ ). The interaction was negative and significant, indicating that higher product quality combined with price sensitivity can weaken purchase intentions. This resonates with findings that consumers often perceive premium pricing as acceptable only when clearly justified by superior attributes, while mismatched pricing may reduce purchase likelihood (Cai et al., 2025).

From the results of testing the hypothesis of the moderating effect, the following regression equation can be derived:

- 1) Regression equation on moderation of Price and interaction of Visual Content Promotion with Price: MRA 1

$$Y = b_1.X_1 + b_4.M + b_7.X_1.M + e_1 \dots \dots \dots (13)$$

$$Y = 0,062. \text{ Visual Content Promotion} + 0,230. \text{ Price} + 0,139. \text{ Visual Content Promotion} * \text{ Price} + e_1 \dots \dots \dots (14)$$

- 2) Regression equation on price moderation and interaction between service quality and price: MRA 2

$$Y = b_2.X_2 + b_5.M + b_8.X_2.M + e_2 \dots \dots \dots (15)$$

$$Y = 0032. \text{ Service Quality} + 0,230. \text{ Price} + 0,095. \text{ Service Quality} * \text{ Price} + e_2 \dots \dots \dots (16)$$

- 3) Regression equation on price moderation and product quality interaction with price: MRA 3

$$Y = b_3.X_3 + b_6.M + b_9.X_3.M + e_3 \dots \dots \dots (17)$$

$$Y = 0,281. \text{ Product Quality} + 0,230. \text{ Price} - 0,191. \text{ Product Quality} * \text{ Price} + e_3 \dots \dots \dots (18)$$

### **Theoretical Implications**

These findings provide three key contributions:

- 1) Price as a Contextual Moderator. The results extend pricing literature by showing that price can either strengthen (with visual promotion) or weaken (with product quality) the influence of marketing mix elements on consumer choice, confirming its role as a context-dependent moderator (Ramizares et al., 2024).
- 2) Differential Interaction Effects. The results demonstrate that price does not moderate all marketing mix elements equally. While visual content is reinforced by congruent pricing strategies, service quality shows no significant interaction with price. This nuance contributes to decision-making models by clarifying that pricing interacts selectively with antecedents depending on their perceived role in consumer evaluation (Duh & Pwaka, 2023).
- 3) Refinement of Brand Equity Framework. By showing that price moderates product driven evaluations, the study extends brand equity theory. Consumer perceptions of fairness and value emerge as critical boundary conditions for how product quality translates into actual decisions, reinforcing arguments that price-value alignment is central to sustaining strong brand equity (Dzogbenuku et al., 2024; Peng et al., 2024).

### **Practical and Managerial Implications**

For managers, the results offer strategic insights:

- 1) Align Pricing with Promotional Content. Firms should ensure that pricing reinforces the effectiveness of visual campaigns, as congruence between value communication and pricing enhances consumer responsiveness.
- 2) Maintain Service Quality as a Hygiene Factor. While essential for credibility, service quality does not significantly benefit from pricing strategies. Managers should maintain high service standards but focus elsewhere for differentiation.
- 3) Strategically Position Product Quality and Price. For high-quality offerings, firms must carefully align pricing strategies to avoid consumer perceptions of unfairness. Premium prices should be justified with clear communication of superior attributes.
- 4) Use Price as a Strategic Lever. Pricing should be managed not only as a revenue tool but also as a moderator of marketing effectiveness, amplifying or constraining how other variables influence consumer choice (Dzogbenuku et al., 2024; Cai et al., 2025).

## CONCLUSION

This study advances the understanding of how marketing mix elements influence consumer decisions in creative service industries by examining the case of Fannani Photo. The findings demonstrate that product quality, branding, and price significantly shape service selection, with product quality emerging as the dominant driver of consumer choice. This result is consistent with research showing that superior product offerings form the foundation of brand equity and consumer loyalty (Oppong-Kyeremeh et al., 2024; Akpoviroro et al., 2020). Visual content promotion and service quality, although not directly influential, play important roles in strengthening branding, which subsequently mediates the relationship between product quality and service selection. Furthermore, price functions as a contextual moderator, reinforcing the effects of visual content promotion and product quality while leaving the impact of service quality unchanged, echoing findings on how pricing strategies condition consumer perceptions of fairness and value (Yu et al., 2021).

Theoretically, this research enriches brand equity theory by clarifying the dual roles of branding and price within consumer decision-making frameworks. Branding acts as a mediating mechanism that translates product quality into consumer trust and loyalty, in line with evidence from service industries where brand credibility is shaped by consistent quality (Morozova & Denchyk, 2023). At the same time, price moderates the impact of promotional and product-based evaluations on purchase intentions, confirming its role as a context-dependent variable in consumer behavior. These insights also refine consumer value theory by confirming product quality as the cornerstone of consumer evaluation and decision-making, while highlighting price-value alignment and effective branding as critical mechanisms for translating quality into sustainable competitive advantage.

From a managerial perspective, the findings emphasize the centrality of product excellence as the foundation of brand credibility and consumer trust. Branding activities such as storytelling-driven visual campaigns and authentic customer testimonials should be strategically prioritized to enhance consumer engagement and long-term loyalty (Purnomo, 2025). Service quality, while essential, should be managed as a baseline standard rather than a differentiating factor. Equally important, pricing strategies should be transparent, fair, and aligned with perceived consumer value, as price not only represents monetary sacrifice but also shapes consumer trust and reinforces purchasing decisions (Yu et al., 2021).

Despite these contributions, several limitations must be acknowledged. This study relied on a single case study with a purposive sample, which limits the generalizability of the findings. The cross-sectional design also restricts causal inference, while self-reported data may introduce bias. In addition, the model excluded potentially influential variables such as customer trust, satisfaction, loyalty, and perceived value.

Future research should address these limitations by employing larger and more diverse samples across industries to enhance external validity, adopting longitudinal or experimental designs to capture causal dynamics more robustly, and integrating additional constructs such as perceived value, customer satisfaction, and digital engagement (e.g., social media interaction and electronic word-of-mouth). Comparative studies across consumer demographics such as age, lifestyle, and media preferences would also enrich theoretical insights and offer practical guidance for MSMEs competing in highly dynamic and digitalized service markets.

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