Analysis of the Influence of Brand Image, Price, and Product Quality on Consumer Buying Intentions in the Indonesian Retail Market: Mediation by the Level of Consumer Trust

Hilda Yuliastuti1, Sri Mulyono2, Denpharanto Agung Krisprimandoyo3, Ikhsan Amar Jusman4

Universitas Insan Cita Indonesia1, Horizon University Indonesia2, Universitas Ciputra3, STIE YPUP4
hilda@uici.ac.id1, sri.mulyono.krw@horizon.ac.id2, agungkris@ciputra.com3, ikhsanamar@stie.ypup.ac.id4

ABSTRACT
This research investigates the complex dynamics influencing consumer behavior in the Indonesian retail market, focusing on the interrelationships between brand image, price, product quality, consumer trust, and consumer buying intentions. Utilizing a quantitative approach and Partial Least Squares Structural Equation Modeling (PLS-SEM) analysis, data was collected through a survey of 100 respondents. The results reveal significant positive relationships between brand image, price, product quality, and consumer buying intentions, highlighting the pivotal role of these factors in shaping consumer preferences and purchase decisions. Furthermore, the study identifies consumer trust as a mediating factor, emphasizing its importance in strengthening the relationship between brand image and consumer buying intentions. The practical implications of these findings for retailers and marketers are discussed, emphasizing the importance of strategic brand management, pricing strategies, product quality enhancement, and trust-building initiatives to drive consumer behavior and achieve long-term success in the Indonesian retail market.

INTRODUCTION
The Indonesian retail market represents a vibrant and rapidly evolving landscape characterized by diverse consumer preferences, demographic shifts, and socio-economic dynamics (Kumar, n.d.; Varela et al., 2013). With a population exceeding 270 million and a rapidly expanding middle class, Indonesia presents immense opportunities and challenges for retailers seeking to capitalize on this burgeoning consumer base (Chakim et al., 2022). Moreover, the proliferation of digital technologies has revolutionized the retail ecosystem, fostering the emergence of e-commerce platforms and omnichannel retailing models (Mandal et al., 2016). Against this backdrop, understanding the underlying drivers of consumer behavior becomes imperative for retailers striving to remain competitive and resonate with their target audience (Wahyuni et al., 2021).

In the context of consumer decision-making, brand image plays a central role in shaping perceptions, preferences, and purchase intentions (Ignabertha & Loisa, 2023). A strong and positive brand image not only fosters consumer trust and loyalty but also serves as a powerful differentiator in a crowded marketplace (Wiyanti & Hanfan, 2022). However, building and maintaining a favorable brand image require careful strategic planning, consistent communication, and alignment with consumer expectations (Sudaryanto et al., 2021). In Indonesia's diverse and rapidly changing retail environment, the significance of brand image as a determinant of consumer behavior necessitates comprehensive research to unravel its nuanced effects on purchasing decisions (ALFIYYAH, 2019; Latukolan et al., 2021).
Price perception stands as another critical determinant influencing consumer behavior in the Indonesian retail market (Suwitho, 2019). With a wide range of products available across various price points, consumers often engage in price comparison and evaluation to make informed purchasing decisions (Andarini & Alversia, 2023; Fatonny & Aprianingsih, 2013). However, the perception of value derived from a product extends beyond its price tag, encompassing factors such as perceived quality, utility, and brand prestige (Gyau et al., 2011). Thus, understanding the intricate interplay between price perception, consumer preferences, and purchasing behavior is essential for retailers seeking to strike the right balance between affordability and perceived value proposition (Tina, 2017).

Product quality represents a fundamental aspect influencing consumer preferences and purchase decisions in the Indonesian retail landscape (Haryanto et al., 2019). In a market characterized by intense competition and an abundance of choices, consumers gravitate towards products that offer superior quality, durability, and performance (Aisya & Urumshah, 2021). Moreover, favorable perceptions of product quality not only enhance brand reputation but also contribute to long-term customer satisfaction and loyalty (Permadi, 2017). Against the backdrop of evolving consumer preferences and increasing demand for value-driven offerings, examining the influence of product quality on consumer buying intentions assumes paramount importance for retailers aiming to gain a competitive edge and foster sustainable growth (Ricko et al., 2021).

Despite the significance of brand image, price, and product quality in influencing consumer behavior, the extent to which consumer trust mediates their effects in the Indonesian retail market remains inadequately addressed. Therefore, the research problem centers on elucidating the mediating role of consumer trust in the relationship between these key factors and consumer buying intentions. By unraveling this intricate interplay, the study seeks to provide valuable insights into the mechanisms guiding consumer decision-making processes.

The primary objective of this research is to analyze the influence of brand image, price, and product quality on consumer buying intentions in the Indonesian retail market, with a specific focus on understanding the mediating role of consumer trust. By achieving this objective, the study aims to contribute to the existing body of knowledge on consumer behavior and provide actionable insights for businesses operating in the Indonesian retail sector.

This research holds significant implications for both academia and industry. From an academic standpoint, it contributes to the theoretical understanding of consumer behavior by elucidating the mediating role of consumer trust in the context of brand image, price, and product quality. Moreover, the findings of this study can serve as a foundation for future research endeavors exploring similar dynamics in different cultural and market contexts. From a practical perspective, the insights garnered from this research can inform marketing strategies and business decisions, enabling retailers to better tailor their offerings to meet the evolving needs and preferences of Indonesian consumers. Ultimately, by enhancing our understanding of the factors driving consumer buying intentions, this research endeavors to facilitate the creation of more effective and customer-centric marketing strategies in the Indonesian retail market.
Literature Review And Hypothesis Development

a. Brand Image and Consumer Buying Intentions

Brand image and consumer buying intentions are closely related. Brand image refers to the perception that consumers have of a brand, while consumer buying intentions refer to the likelihood that a consumer will purchase a product or service. Research has shown that brand image can have a significant impact on consumer buying intentions (Jiang et al., 2023; Nusairat et al., 2021). For example, a positive brand image can increase consumer trust and loyalty, which can lead to higher buying intentions. On the other hand, a negative brand image can decrease consumer trust and loyalty, which can lead to lower buying intentions. Additionally, factors such as user-generated content, social media marketing, celebrity endorsement, and product aesthetics can also influence consumer buying intentions through their impact on brand image (Firmanza & Artanti, 2022; Jia et al., 2022; Jiang et al., 2023; Nusairat et al., 2021). Therefore, companies should focus on building a strong and positive brand image to increase consumer buying intentions.

b. Price and Consumer Buying Intentions

Price is a crucial factor that influences consumer buying intentions in the retail industry. Consumers tend to compare prices of similar products before making a purchase decision. Lower prices can attract more customers, while higher prices can deter them. In addition, consumers’ perception of the value of a product is also influenced by its price. If a product is priced too low, consumers may perceive it as low quality, while if it is priced too high, they may perceive it as overpriced. Therefore, retailers need to carefully consider their pricing strategy to attract and retain customers (Bhatti et al., 2022).

Moreover, the impact of price on consumer buying intentions can vary depending on the type of product and the target market (Bedi et al., 2022). For example, consumers may be more price-sensitive when purchasing fast-moving consumer goods (FMCG) such as groceries, while they may be less price-sensitive when purchasing luxury goods. Retailers need to understand their target market and adjust their pricing strategy accordingly (Sudaryanto et al., 2019). They can also use promotional pricing strategies such as discounts, coupons, and sales to attract price-sensitive customers (Sudaryanto et al., 2019).

c. Product Quality and Consumer Buying Intentions

The relationship between product quality and consumer buying intentions is a complex and multifaceted one. Several studies have explored this relationship in various contexts. For instance, a study on traditional food consumption in Indonesia found that product quality, price, and convenience influence consumers’ positive attitude and intention to buy traditional food, with the product type moderating this relationship (Haryanto et al., 2019). Another study on packaged coffee powder purchase intentions revealed that product quality, image congruity, and contextual experience directly impact repurchase intentions, with customer perceived value mediating this relationship (Yunus et al., n.d.). Additionally, a study on the automotive industry demonstrated that consumer perceptions of product aesthetics, space quality, and service quality influence test drive intentions through brand image, thereby highlighting the significance of product quality in shaping consumer behavior (Jiang et al., 2023).

These findings collectively emphasize the pivotal role of product quality in shaping consumer buying intentions across different product categories (Ma’rifat &
Rahmawan, 2023). The studies underscore that product quality is a key determinant of consumer perceptions and attitudes, ultimately influencing their purchase intentions. Therefore, businesses should prioritize maintaining and enhancing product quality to positively impact consumer buying behavior and foster repurchase intentions.

METHOD

This research adopts a quantitative approach to investigate the relationships between brand image, price, product quality, consumer trust, and consumer buying intentions in the Indonesian retail market. Data collection is conducted through a structured survey instrument designed to elicit responses from a sample of 100 consumers. The survey comprises validated scales measuring the constructs of interest, ensuring the reliability and validity of the collected data. Sampling technique involves purposive sampling, targeting consumers across diverse demographic profiles to ensure representation across different segments of the Indonesian retail market. Data analysis is performed using Partial Least Squares Structural Equation Modeling (PLS-SEM), a robust statistical technique suitable for analyzing complex relationships and mediation effects within the proposed conceptual framework. PLS-SEM enables the examination of both the direct and indirect effects of brand image, price, and product quality on consumer buying intentions, mediated by the level of consumer trust. Through this comprehensive analytical approach, the study aims to uncover the nuanced dynamics shaping consumer behavior in the Indonesian retail context, providing valuable insights for retailers and academics alike.

RESULTS AND DISCUSSION

a. Respondent Demographic

The respondents for this study were drawn from various demographic backgrounds to ensure a representative sample reflecting the diversity of the Indonesian consumer population. Among the 100 participants surveyed:

a) Gender Distribution: The sample comprised 55% male and 45% female respondents, reflecting a relatively balanced representation of gender demographics.

b) Age Distribution: Respondents were distributed across different age groups, with 20% aged 18-24, 35% aged 25-34, 25% aged 35-44, and 20% aged 45 and above. This distribution allows for insights into the preferences and behaviors of consumers across different life stages.

c) Education Level: The educational attainment of respondents varied, with 30% having completed secondary education, 40% holding undergraduate degrees, and 30% possessing postgraduate qualifications. This diverse educational background ensures a broad perspective on consumer behavior across different levels of educational attainment.

d) Income Level: The income distribution of respondents was diverse, with 25% earning below the national average, 40% earning at the national average, and 35% earning above the national average. This variation enables the exploration of consumer preferences and buying intentions across different income brackets.

e) Geographic Location: Respondents were geographically dispersed across Indonesia, with 30% residing in urban areas, 40% in suburban areas, and 30% in...
rural areas. This geographic diversity allows for insights into regional variations in consumer behavior and preferences.

b. **Structural Model**

1. Validity and Reliability

   The results indicate satisfactory construct validity, as indicated by the Composite Reliability (CR) ranging from 0.700 to 0.885, exceeding the recommended threshold of 0.70. Additionally, the Average Variance Extracted (AVE) values ranging from 0.625 to 0.912 surpass the threshold of 0.50, demonstrating adequate convergent validity. The constructs exhibit high reliability, as reflected by the Composite Alpha (CA) values ranging from 0.771 to 0.899. These values surpass the recommended threshold of 0.70, indicating strong internal consistency among the items measuring each construct.

2. **VIF Value**

   The Variance Inflation Factor (VIF) values ranging from 3.11 to 3.72 are within an acceptable range, indicating that multicollinearity is not a significant concern in the structural model. VIF values below 5 generally suggest no issues with multicollinearity, further validating the robustness of the model.

3. **Model Fit**

   The Structural Model Root Mean Square Residual (SRMR) value of 0.079 suggests a good fit between the proposed model and the observed data. SRMR values below 0.08 are indicative of a satisfactory fit, implying that the model adequately represents the relationships among the constructs. Additionally, the Root Mean Square Theta (rms theta) value of 0.002 indicates a close approximation between the model-implied and observed correlation matrices. This low value suggests a minimal discrepancy between the model and the data, further confirming the adequacy of the model fit.

4. **Coefficient Determination**

   The coefficient determination (R square) value of 0.825 signifies that the model explains approximately 82.5% of the variance in the endogenous construct (consumer buying intentions). This high R square value indicates that the exogenous constructs (brand image, price, product quality, and consumer trust) collectively account for a substantial proportion of the variation in consumer buying intentions, underscoring the robustness and explanatory power of the structural model.

**Bootstraping**

<table>
<thead>
<tr>
<th>Hypothesis Testing</th>
<th>Original Sample</th>
<th>Sample Mean</th>
<th>Std Dev</th>
<th>T Stats</th>
<th>P Values</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>BIM -&gt; CBI</td>
<td>0.755</td>
<td>0.742</td>
<td>0.025</td>
<td>12,514</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>PRC -&gt; CBI</td>
<td>0.720</td>
<td>0.677</td>
<td>0.043</td>
<td>11,318</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>PDQ -&gt; CBI</td>
<td>0.629</td>
<td>0.600</td>
<td>0.052</td>
<td>11,490</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>BIM -&gt; CST -&gt; CBI</td>
<td>0.701</td>
<td>0.689</td>
<td>0.051</td>
<td>9,673</td>
<td>0.012</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source: Data Analysis Result, 2024

Table 1 presents the results of hypothesis testing for the structural model, examining the relationships between the exogenous constructs (brand image, price, and product quality), the mediating construct (consumer trust), and the endogenous construct (consumer buying intentions). Each row represents a specific hypothesis, with columns detailing the original sample statistics, sample mean, standard deviation,
t statistics, p-values, and the resulting interpretation. The findings indicate significant relationships between brand image (BIM), price (PRC), and product quality (PDQ) with consumer buying intentions (CBI), as evidenced by t statistics ranging from 11.318 to 12.514, all associated with p-values of 0.000, indicating statistical significance. Moreover, the hypothesis testing involving the mediating role of consumer trust (CST) reveals a significant indirect effect of brand image on consumer buying intentions through consumer trust, with a t statistic of 9.673 and a p-value of 0.012. These results provide robust empirical support for the hypothesized relationships, highlighting the importance of brand image, price, product quality, and consumer trust in shaping consumer buying intentions within the Indonesian retail market.

Discussion

The results obtained from the structural model analysis offer valuable insights into the intricate dynamics influencing consumer behavior in the Indonesian retail market. Firstly, the significant positive relationships observed between brand image (BIM), price (PRC), and product quality (PDQ) with consumer buying intentions (CBI) underscore the pivotal role of these factors in shaping consumer preferences and purchase decisions. The findings corroborate prior research (Fajrianto, 2016; Hovhannisyan & Gould, 2012; Putra et al., 2017) indicating that consumers are inclined to favor brands with positive perceptions, competitive pricing, and superior product quality, thereby highlighting the importance of strategic brand management, pricing strategies, and product development initiatives for retailers operating in Indonesia. Additionally, the significant indirect effect of brand image on consumer buying intentions through consumer trust (CST) further emphasizes the mediating role of trust in consumer-brand relationships (Assad et al., 2020). This underscores the importance of fostering consumer trust through transparent communication, consistent service delivery, and ethical business practices, as trust emerges as a critical determinant influencing purchase intentions and brand loyalty. Furthermore, the high coefficient determination (R square) value of 0.825 indicates that the structural model explains a substantial proportion of the variance in consumer buying intentions, affirming the robustness and explanatory power of the proposed framework. Overall, these findings provide actionable insights for retailers and marketers seeking to formulate effective strategies to enhance brand image, optimize pricing strategies, improve product quality, and cultivate consumer trust to drive consumer buying intentions and foster long-term success in the Indonesian retail market.

Practical Implication

The findings of this study offer several practical implications for retailers and marketers operating in the Indonesian retail market. Firstly, understanding the significant influence of brand image, price, product quality, and consumer trust on consumer buying intentions enables businesses to prioritize these factors in their strategic planning and decision-making processes. Retailers can invest in brand-building activities, such as enhancing brand visibility, communicating brand values, and delivering consistent brand experiences to cultivate positive perceptions among consumers. Moreover, optimizing pricing strategies to align with consumer expectations and market dynamics can help retailers maintain competitiveness while maximizing profitability. Additionally, investing in product innovation and quality assurance processes to deliver high-quality offerings can enhance customer satisfaction and loyalty. Furthermore, fostering consumer trust through transparent communication, personalized interactions, and reliable service delivery can build long-
lasting relationships with customers, leading to repeat purchases and positive word-of-mouth referrals. By implementing these strategic initiatives informed by the research findings, retailers can effectively influence consumer behavior, drive purchase intentions, and ultimately achieve sustainable growth and success in the dynamic Indonesian retail market.

**CONCLUSION**

Conclusively, this study illuminates the complex interactions among brand perception, cost, merchandise excellence, customer confidence, and purchase intents in the Indonesian retail industry. The results highlight the important roles that brand image, pricing, and product quality play in shaping consumer behavior. A positive and statistically significant association was found between all three characteristics and consumers' intentions to purchase. Furthermore, the research underscores the significance of trust-building tactics in cultivating favorable consumer-brand associations by highlighting the mediating function of consumer trust in influencing the association between brand image and consumer buying intentions. The validity and generalizability of the research findings are strengthened by the structural model's robustness, which is demonstrated by good model fit indices, acceptable VIF values, and satisfactory validity and reliability assessments. In order to drive consumer buying intentions and achieve sustainable growth in the Indonesian retail market, retailers and marketers looking to develop effective strategies to improve product quality, build consumer trust, optimize pricing strategies, and enhance brand image will find these insights to be useful. All things considered, this study adds to the corpus of information already available on consumer behavior and offers insightful information to both practitioners and scholars.

**Reference**


Assad, S., Clark, R., Ershov, D., & Xu, L. (2020). *Algorithmic pricing and competition: Empirical evidence from the German retail gasoline market*.


Stage. 2022 IEEE Creative Communication and Innovative Technology (ICCIT), 1–6.


Yunus, M., Chan, S., & Halim, N. N. (n.d.). THE EFFECT OF PRODUCT QUALITY, IMAGE CONGRUITY, AND CONTEXTUAL EXPERIENCE ON CUSTOMER PERCEIVED VALUE AND ITS IMPACT ON REPURCHASE INTENTIONS OF PACKAGED COFFEE CUSTOMERS: TESTING DIFFERENCES IN THE COFFEE SHOPS, SUPERMARKETS, AND SOUVENIR OUTLETS.