

## Brand Image and What Prices Can Determine the Decision Process of Buying Erigo Products in Bandung City

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### Abstract

*The purpose of this study was to determine whether brand image and price can determine the purchasing decision process of Erigo products. The research method used is descriptive and verification research methods. The data collection technique is through a questionnaire with data analysis using validity, reliability, classical assumption test, multiple linear regression analysis, hypothesis testing and coefficient of determination. The results of the calculation of the coefficient of determination show that the percentage of the influence of Brand Image and Price on Purchase Decisions has a positive effect on Erigo products, and the results of hypothesis testing indicate that brand image and price have a significant effect on the purchasing decision process of Erigo Products.*

### Keywords

brand image; price; purchase decision



## I. Introduction

*Fashion* trends that exist in Indonesia reflect reflection social and economic status which usually identified as popularity. *fashion* recently became a profitable industry in Indonesia, seeing that its growth was always increase. Based on data Indonesia (2019), the development fashion industry able to contribute about 18.01% or Rp 116 trillion. The Creative Economy Agency (BEKRAF) also continues to make efforts to strengthen the ecosystem encourage growth this subsector *Fashion* not only primary need, but has become artistic needs so that that it can encourage growth of this industry faster. According to data in 2017, the *fashion industry* in Indonesia has contributed to National Gross Domestic Product of 3.76 percent, with an export value of 13.29 billion us Dollars. *Fashion I* sub-in the creative economy was also largest contributor in the previous year, 2016. The economic condition of the population is a condition that describes human life that has economic score (Shah et al, 2020). Economic growth is still an important goal in a country's economy, especially for developing countries like Indonesia (Magdalena and Suhatman, 2020).

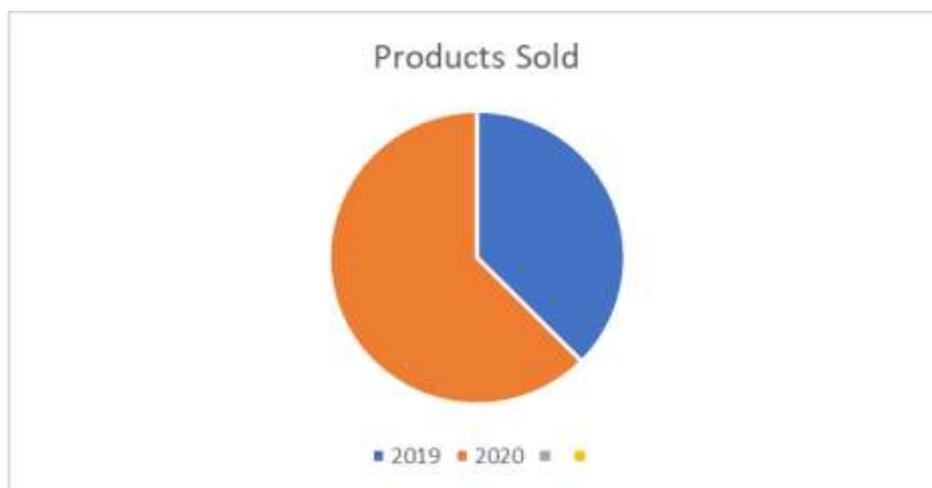
In the early development of the trend of *fashion* in Indonesia tends to imitate the western style, both in the materials used and the design of In In terms of age young people in Indonesia generally more comfortable with casual and simple clothes, especially to carry activities daily like as going to campus or just play with friends. The development of *fashion* trends in Indonesia is driven by several factors, namely the mass media, the world of entertainment, the business world, and the internet.

Erigo is a fashion brand from Indonesia which was launched in 2010 after changing its name which at that time was "Selected and Co" which owned Muhammad Sadad. Erigo prioritizes quality and design of its products that are good for everyday activities travelling. Erigo presents products that make people who wear

them feel comfortable, always updated with fashion trends and be obtained at affordable Erigo is the younger generation who are looking for something trendy and make them feel special. Erigo products can become successful in the market because Erigo continues to develop its products by releasing which can be used for travel and daily needs by prioritizing designs that are comfortable for consumers. The business strategy that has been established since 2015 is to apply Erigo as a *street style and traveling* concept, namely presenting Erigo products as a clothing concept that supports these travel activities by taking pictures in various countries such as Japan which will later be used as product collections. In 2015, Erigo was able to increase sales and was able to achieve turnover to Rp 22 billion. Erigo sold using *online* platforms, namely through Shopee and offline platforms through stores various areas such as as Jogja, Semarang, Centro, etc. Erigo attracts several famous bloggers as brand ambassadors for his Products sale by Erigo are shirts, crewnecks, bags waist, Jacket, Flannel, Pants Chino, T- shirt Long Sleeve, Shirt collared, shirt Long sleeves, Outerwear, Shorts Bags.

Erigo Store is the current This stage of development of is proved 1 the fact that Erigo Store opened on 2013, at that time Erigo Store was undergoing introduction period. Ride and down experienced by Muhammad Sadad as owner of shop Erigo, on 2015 erigo shop capable of to produce turnover of 22 billion, at that time Toko Erigo experience period growth , in 2015 it is also Erigo The shop decided to buy can done via their website , they finally launched app their Erigo on Play Store.

In 2016 the Erigo used strategy new, that is *rebranding* Erigo and recruited blogger as their brand ambassador, and they are still experiencing this growth period and they are increasing by appointing many brand ambassadors among Indonesian artists to enhance the erigo brand image.



Source: <https://www.inilahkoran.com/gaya-live/pr-1181023332/erigo-x-thanksinsomnia-jual-1500-kaos-dalam-sejam?page=2/amp>

**Figure 1**

On 23 October 2019 Erigo managed to get the Indonesian muri record by successfully selling 1500 t-shirts in less than an hour. This achievement carved by Erigo can certainly show that Erigo is a fashion that is in great demand. However, in 2020 erigo's offline sales were no bigger than the previous year. In 2020 and the first quarter of 2021, the percentage of erigo sales decreased, namely 50% online sales and 50% offline sales.

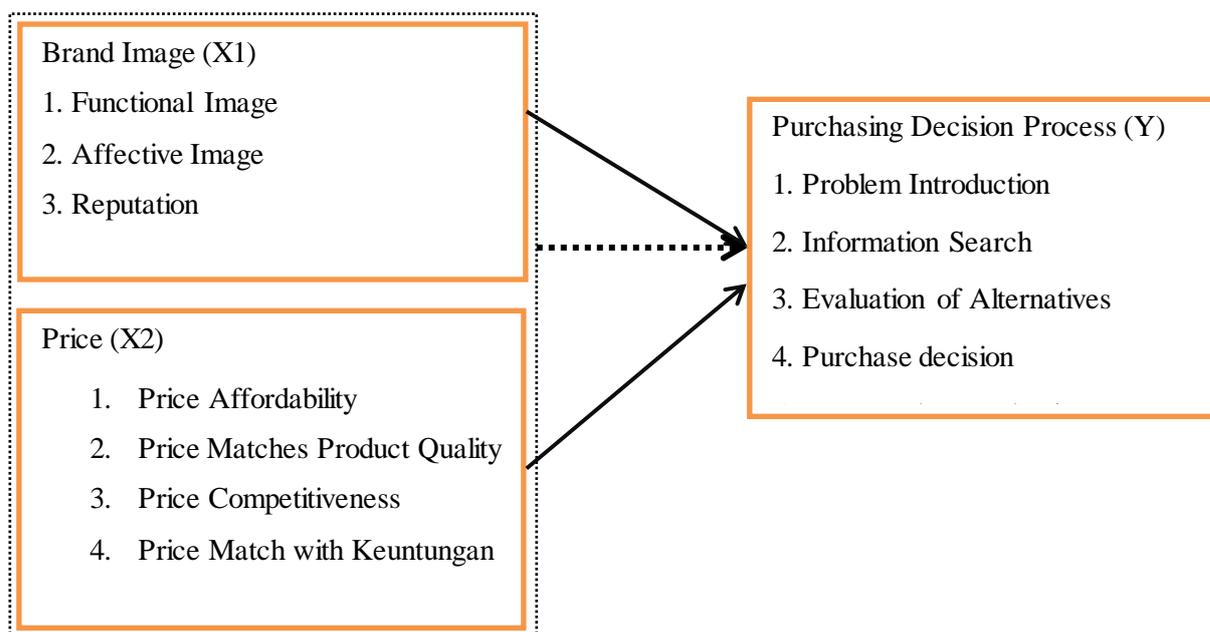
compared to the previous year with a sales percentage of 80% offline and 20% online. Erigo is also known to be doing massive discounts for online sales through the shopee platform. On 2020 Erigo participate in various activity campaign big Shopee such as 9.9 to 12.12, Shopee Brand Day. Reported from katadata.co.id, as long as year 2020 ago Erigo take notes enhancement order reach more from ten times compared year before.

In connection with this, the author is interested in conducting research with the title: **"Are Brand Image and Price Can Determine the Erigo Product Purchase Decision Process"**.

## II. Review of Literature

- According to Philip Kotler and Armstrong in book Management (2019) states that " Marketing " is as a social process and management that makes individual and group get what are they need and want past creation and exchange lead come back product and score with other people".
- According to author Ade Jermawinsyah (2020) explains image brand is series existing association in mind consumer to something brand , usually organized Becomes something meaning . Brand image is also said as vision and hidden beliefs in the mind consumer as reflection associations held in memory consumers . Brand image could be measured through three category :
  1. *Favorability of brand association* A brand create positive attitude if attribute and benefit brand the could satisfying needs and desire consumers .
  2. *Strength of brand association* Association formed from incoming information into the memory consumer and how information the endure as part from brand image
  3. *Uniqueness of brand association* Unique brand and interesting capable cause strong association within thought customer
- According to Kotler, Keller, Brady, Goodman, Hansen (2019) and Kotler and Armstrong (2018) in The book Branding Marketing: The Art Of Branding states that a brand is not just a name or a symbol, but a brand is a key element in the relationship between a company and its customers.
- In Book Marketing and Satisfaction Customer according to William J. Stanton price is amount money ( possibly added a number of items ) needed for get a number of combination a product and accompanying services. Then by Jerome McCargy price is what is charged for something (2019).
- Quotes journal Determination of Customer Value and Purchase Decision : Quality Analysis Product , Design Product and Endorse stated that " Before " decide for buy something product , a consumer on basic carry out the retrieval process decision more first , the process of taking decision in ( August 2020:12) is stages consumer in decide something product certain according to it's the best from various alternative in accordance with interests certain with set the option that is considered the most profitable ”.

## 2.1 Framework and Hypotheses



## 2.2 Hypothesis

H1: Brand Image has significant effect on purchasing decision process for Erigo.

H2: Price has a significant effect on the purchasing decision process for Erigo

H3: Brand Image and Price have a significant effect on the decision process on purchasing for Erigo

## III. Research Method

This research descriptive and research verification method with quantitative approach. Method descriptive is method is used to analyze data describing or describing data that has because is without meaning from makes generally accepted conclusions or generalizations. Quotes from definition according to Sugiyono (2019:2) "method study on basic is method scientific for get data with destination and utility certain ". So, from that, in to do study need existence something method appropriate research for get a data that will researched in research. In this study the population is unknown, so the sampling technique used is sampling that the minimum sample size is 5 times the number of question items contained in questionnaires. Number of questions in This study questionnaire is 20 items. So the minimum number of sample size in this study is:  $20 \times 5 = 100$ . The data obtained will then be using linear regression with the tool SPSS.

## IV. Result and Discussion

### 4.1 Validity Test and Reliability Test

Based on tests conducted on 100 respondents who use SPSS 23.0 for Windows software, the results of the validity test are as follows:

**Table 1.** X1 Validity Test Results (Brand Image)  
Item-Total Stats

	Average Scale Items Deleted	Scale Variance Item Deleted	the if is	Corrected Item-Total Correlation	Quadratic Multiple Correlation	Alpha Cronbach Item Removed
page 1	38.2717	45.804		.623	.517	.911
page 2	39.1739	43,882		.781	.692	.904
p. 3	38.5652	45,084		.687	.578	.908
page 4	39.4674	43,680		.728	.615	.906
page 5	38.5978	44.309		.622	.494	.911
page 6	38.4783	46,296		.624	.578	.911
page 7	38.4348	47.018		.469	.378	.917
page 8	38.2283	48,464		.378	.363	.920
page 9	39.3804	42,920		.655	.526	.910
page 10	39.2935	42,781		.775	.724	.903
page 11	39.2065	42.517		.819	.724	.901

From the table above, the r-count value for each question brand image variable has a value that is above or greater than the r-table (0.165), so it can be said that all question items for the X1 variable are valid.

**Table 2.** X2 Validity Test Results (Price)  
Item-Total Stats

	Average Scale Items Deleted	Scale Variance Item Deleted	the if is	Corrected Item-Total Correlation	Quadratic Multiple Correlation	Alpha Cronbach Item Removed
page 12	27.4565	24,471		.773	.701	.859
page 13	27.6630	22,907		.793	.697	.855
page 14	27.3370	28,248		.401	.203	.891
page 15	27.6522	23,152		.820	.751	.852

From the table above, the r-count value for each price variable question has a value that is above or greater than the r-table (0.165), so it can be said that all question items for the X2 variable are valid.

**Table 3.** Y Validity Test Results (Purchase Decision Process)  
Item-Total Stats

	Average Scale if Items are Deleted	Scale the Variance if Item is Deleted	Corrected Item-Total Correlation	Quadratic Multiple Correlation	Alpha Cronbach if Item Removed
page 16	17.5000	8.802	.737	.555	.732
page 17	16.8913	9.527	.592	.358	.766
page 18	17.7935	8,693	.681	.480	.743
page 19	16.7609	10.316	.386	.249	.809
page 20	16.5543	10,557	.393	.250	.806

From the table above, the r-count value for each question of the purchasing decision process variable has a value that is above or greater than the r-table (0.165), so it can be said that all question items for the Y variable are valid.

**Table 4.** X1 Variable Reliability Test Results (Brand Image)  
Reliability Statistics

Alpha Cronbach	Alpha Cronbach Based on Standard Items	N of Item
.916	.916	11

Source: Processed data

**Table 5.** X2 Variable Reliability Test Results (Price)  
Reliability Statistics

Alpha Cronbach	Alpha Cronbach Based on Standard Items	N of Item
.885	.880	4

Source: Processed data

**Table 6.** Variable Y Reliability Test Results (Purchase Decision Process)  
Reliability Statistics

Alpha Cronbach	Alpha Cronbach Based on Standard Items	N of Item
.803	.802	5

Source: Processed data

If measuring instrument has coefficient of  $r < 0.7$  then measuring instrument is not reliable For test reliability questionnaire in this research SPSS software 23.0 Table 4, table 5 and table 6 below are results from reliability tests for questionnaires from each variable

## 4.2 Multiple Linear Analysis

**Table 7. Coefficient**

Pattern	Nonstandard Coefficient		Standard Coefficient	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	5.289	1,714		3.086	.003
X1	.167	.044	.352	3.829	.000
X2 (In English)	.379	.102	.343	3.727	.000

a. Dependent Variable: Y

b.

- a. The value of constant is 5,289, meaning if value of the purchasing decision process when all independent variables are zero, as an indication that there may be other factors besides brand image and price as independent variables included in the analysis model, it also affects the process purchasing decisions for Erigo Products in Bandung.
- b. The brand image regression coefficient (X1) is 0.167 and the price (X2) is 0.379, all of which are positive, meaning that there is a positive/unidirectional effect on the independent variable (brand picture and price ) with dependent variable (purchase decision process)

## 4.3 Feasibility of Model Test (Test F)

The is carried out by comparing the value of from the table F1 with calculated as The results test f in research can seen in Table 8 below:

**Table 8. ANOVAa**

Pattern	Number of Squares	df	Square Average	F	Sig.
1 Regression	104,054	2	52,027	26,464	.000b
Remainder	190.696	97	1966		
Whole	294750	99			

a. Dependent Variable: Y

b. Predictors: (Constant), X2, X1)

Based on the above calculation, the value of table F is 2.70. The results of statistical calculations show the calculated F value = 26,464 where the result is greater than Ftable (26,464 > 2.70), then  $H_0$  is rejected. Based on the table above, a significance value of 0.00 is obtained, where the number is smaller than 0.05 (0.000 < 0.05), then  $H_0$  is rejected. That

is, the statement of brand image and price hypothesis have a significant effect on the purchasing decision process for Erigo Products in Bandung.

#### 4.4 Analysis of the coefficient of determination

The coefficient of the determination of is between 0-1. The of R2 means that the ability of of variable in explain variation of variable is very limited. if value of close to with, it means that independent variable provides nearly all the information needed to predict dependent variable Here is the result of from coefficient test from the determination of :

**Table 9.** Modelb Summary

Patte rn	R	R Square	Customized Square	R	Std. Estimation Error	Durbin-Watson
1	.594a	.353	.340		1.40212	2.207

a. Predictors: (Constant), X2, X1

b. Dependent Variable: Y

The value of R squared obtained is 0, 340. That is, 34.0% of the Purchase Decision Process can be explained by brand image and price variables. While the remaining 66.0% of the purchasing decision process is influenced by other variables not examined in this study, such as product features and promotions.

## V. Conclusion

1. Customer response based on the results of research on the brand image of Erigo products obtained an average score of 3.54, so it can be concluded that the Erigo brand image variable is in the good category. The highest Erigo brand image indicator is in the Erigo product indicator, which is a product that is easy to remember in the minds of consumers.
2. Customer response based on research results on the price of Erigo products obtained an average score of 3.69, so it can be concluded that the Erigo price variable is in the good category. The highest price indicator is the Erigo Product Price which is in accordance with the benefits provided and the lowest indicator is the price according to the quality of the product although it is still in the good category.
3. Based on the results of research on the purchasing decision process, an average score of 3.89 was obtained which was in the good category. The highest purchasing decision process indicator is in respondents who choose Erigo because the quality of its products is superior to other products, namely 4.49 which is in the very good category.
4. Based on the results of partial hypothesis testing, brand image has a significant effect on the purchasing decision process for Erigo products, and the price variable has a significant effect on the purchasing decision process for Erigo products. Based on the results of simultaneous hypothesis testing, brand image and price variables have a significant influence on the purchasing decision process of Erigo products. The magnitude of the influence of brand image and price on the purchasing decision process of Erigo products is 34% while the remaining 66% is influenced by other factors such as promotions or product features.

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