

# THE INFLUENCE OF PRICE PERCEPTIONS AND BRAND IMAGE OF MSME PRODUCTS ON CONSUMER LOYALTY

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**Abstract:** Creating and retaining customers should be a bigger priority for the company. The right strategy should be prepared carefully so that customers want to buy products or services produced by the company. More than that, with all the tips, the company should also continue to strive so that customers can become loyal customers. In connection with the marketing strategy of MSMEs which is more oriented towards efforts to direct consumers and potential customers to be more loyal to the products or services provided, this study aims to identify and analyze the factors related to consumer loyalty and satisfaction of MSME product users. as the dependent variable, as well as the influence of perceived price and brand image as independent variables. The study uses a quantitative approach. The examining method in this study was to utilize Non-Likelihood Purposive Testing which is an examining strategy that doesn't give equivalent open doors or conceivable outcomes to every component or individual from the populace to be chosen as an example. The example in this study added up to 38 respondents. The information utilizes essential information, in particular utilizing the aftereffects of survey information that has been handled utilizing SPSS 21.00. The results can be concluded that price perceptions have a positive effect on consumer satisfaction and consumer loyalty, and brand image affects the level of consumer loyalty.

**Keyword:** Influence; Transactional Leadership; Burnout; Employee Performance

## INTRODUCTION

Today, intense competition in business is inseparable from the increasingly rapid development of local, national, and international businesses with various scales and targeted segments. This competition spurred business people to always be the customer's choice and be able to retain their customers. Each organization is expected to make a decent and coordinated cutthroat technique since contest is the way in to the achievement or disappointment of an organization. The rising power of contest from contenders drives organizations to constantly focus on their necessities and wants and attempt to meet customer assumptions by offering more fulfilling types of assistance than contenders do. Accordingly, just quality organizations can contend and rule the market (Fanani & Djati, 2016).

Marketing aims to build and retain customers that can benefit the company (Magatef & Tomalieh, 2015). Meanwhile, according to Engel (Tarigan et al., 2020) the company's goal is to create customers. Losing a customer would be disastrous in a mature market, that is, the market has experienced little real growth. Customers are an important factor that must be considered by the company. Customers are an asset that can determine the success of a company, considering that customers represent growth potential in the future (Aprisia & Mayliza, 2017).

Creating and retaining customers should be a bigger priority for the company. The right strategy to attract customers should be prepared carefully so that customers want to buy products or

services produced by the company. More than that, with all the tips, the company should also continue to strive so that customers can become loyal customers. [4] Each organization that is established absolutely has the expectation that later on its business will encounter quick turn of events and progress, as well as obtain maximum profits. In today's competition in the globalization era, competitive pricing for a product is a strategy that is still the choice of business people in maintaining consumer loyalty and satisfaction.

Evaluating for an item will affect the degree of interest for that item. For shoppers, cost isn't simply the conversion scale of labor and products, yet purchasers generally expect proper correspondence between the item helps they will get and the penances they cause. The definition is how much cash charged for an item or administration or the amount of the relative multitude of values traded by shoppers or the advantages of having or utilizing the item or administration (Wibisono et al., 2022). Cost likewise assumes a significant part in conveying the nature of the help. With the accessibility of substantial directions, shoppers partner an exorbitant cost with an elevated degree of execution of a help item too. Through more cutthroat evaluating, it is trusted that an item can impact shopper purchasing interest and afterward direct customers to make buys. Shoppers' assessment of the cost of an item enormously impacts their purchasing interest in the item, in this manner setting the right and cutthroat cost for an item needs extraordinary consideration from the organization.

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Consumer loyalty in determining and choosing a product is also inseparable from the image of the product. Brand image is a set of beliefs about a particular product (Wijayanto & Iriani, 2013). The brand image itself greatly influences the buyer's decision for a consumer because the values contained in each brand have different values in the eyes of one consumer and another. Furthermore, a brand is all the attributes (tangible and intangible) that guarantee its authenticity. So the most important thing is how to build a really strong brand. Usually, consumers view a brand as an important part of the product (Lathiifa & Ali, 2013).

By and large, in getting fulfillment, buyers respond to item credits that are utilized to decide customer faithfulness for an item including taste, bundling, and cost. With these item credits, it will urge purchasers to purchase these items and trust the brand.

One of the other ways/strategies in maintaining customer loyalty and satisfaction which is a competitive advantage is the distribution channel. Distribution activities that are effective and provide satisfaction to customers/distributors can make an advantage to the company (Ahmad, 2013).

A successful showcasing program blends all of the promoting components into a program intended to accomplish organization objectives by conveying worth to customers. The strategy is a set of corporate tactical tools for establishing a strong position in the target market. In addition, companies must have a strategic plan that can be described as a method for achieving goals by anticipating things that

will happen and determining the actions that need to be taken.

Brand unwaveringness has a cozy relationship with purchaser fulfillment. Where brand dedication is straightforwardly impacted by fulfillment/disappointment with brands that have been collected inside a specific timeframe as seen item quality (Pramana, 2022). In light of the fact that one of the variables that impact brand devotion is purchaser fulfillment (Ulhaq et al., 2022). As a result, there is an asymmetrical relationship between loyalty and satisfaction (Tandilashvili et al., 2023).

Parasuraman et al expressed that customers structure an assumption for worth and act, and in light of that they ascertain or assess which proposition will offer the most elevated benefit. Offers that meet purchaser esteem assumptions influence fulfillment and the probability that shoppers will repurchase and at last be faithful to the brand.

Enhancing service quality is also expected to improve the image of a brand, according to Selnes (Saleem & Raja, 2014), the picture can be fortified when purchasers get high help quality and will diminish assuming shoppers get inferior quality. The standing of a brand is characterized by an impression of value related with the brand. A brand can likewise impact the acquisition of an item, since item buys are impacted by the actual help, yet in addition by picture factors.

Based on the research background, the formulation of the problem that must be answered in this study is to test whether Price Perceptions have a Significant Influence on Consumer Loyalty, and Does

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Brand Image Have a Significant Influence on Consumer Loyalty?

### Library Review

Cost is one of the most delicate non-item factor components for shoppers since it plays a significant part according to buyers as a thought in buying an item. According to a promoting perspective, cost is an action or worth of the labor and products traded for the option to possess or utilize a thing or administration. According to Kotler (Hermanto & Susanto, 2022), cost is how much cash charged for an item or administration or how much worth traded by shoppers for the advantages of having or utilizing the item or administration. Company policy in pricing policy is a very important element of the marketing plan. This is needed to make decisions in the future depending on environmental conditions, both the company's internal environment and the company's external environment. So that it can be concluded that price indicators are (Kusuma & Suwitho, 2015):

1. Price is an assertion of the worth of an item
2. Price is a viewpoint that is apparent to purchasers
3. Price is the significant determinant of interest
4. Prices are adaptable
5. Price is the fundamental issue looked by supervisors.
6. Price influences picture and situating methodology.

Brand picture (brand picture) is a portrayal of the general impression of the brand and is framed from data and experience of the brand. Brand picture is connected with mentalities as convictions

and inclinations for a brand. Buyers who have a positive picture of a brand will be bound to make a buy. According to Shimp [13] brand picture is a kind of affiliation that shows up in the personalities of customers while recollecting a specific brand. Brand Picture markers, including:

1. Product Attributes.
2. Consumer Benefits.
3. Brand Personality.
4. User Imagery.
5. Organizational Associations.

Brand loyal consumers can be identified based on their buying patterns, such as a sequence of purchases (three or four times purchasing the same brand or the proportion of purchases (eight out of ten times purchasing the same brand) (Nove, 2018). Irawan, (2022) states that loyal customers are a person who has the following characteristics:

1. Make regular repeat purchases.
2. Buying across product lines and services.
3. Referring to others.
4. Demonstrates immunity to the pull of competitors

### MATERIALS AND METHODS

In fulfilling the objectives of the research, namely to test whether Price Perception affects Consumer Loyalty and whether Brand Image affects Consumer Loyalty, this research is included in the type of explanatory research. The technique of collecting data and information itself is in the form of field research (Field Research). The data obtained will be analyzed using the SPSS 21 application.

Suharyadi and Purwanto [14] stated that the population is a collection of all

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possible people, objects, and other sizes that are objects of concern or a collection of all objects of concern. In this study the focus on respondents totaling 42 respondents.

The example is important for the populace or part of the number and qualities of the populace. Sugiyono [15] states that the example is essential for the number and qualities moved by the populace. In deciding the quantity of tests, the creators utilize the Slovin recipe in Umar [16], namely determining the number of samples needed for a population as follows:

$$n = N$$

$$1 + N e^2$$

Information :

n = number of sample members

N = number of members of the population

e = percentage error rate of the sampling acceptable, in this study determined 5% (0.05)

So with a known number of population (respondents), then:

$$n = 42$$

$$1 + 42 (5\%)^2$$

$$n = 42$$

$$1.105$$

$$n = 38.00 \text{ sample/person.}$$

The hypothesis in this study is as follows:

H<sub>0</sub>: It is suspected that price perception has a positive and significant influence on consumer loyalty.

H<sub>a</sub>: Allegedly Price Perception does not have a positive and significant influence on Consumer Loyalty.

H<sub>0</sub>: Allegedly Brand Image has a positive and significant influence on Consumer Loyalty.

H<sub>a</sub>: Allegedly Brand Image does not have a positive and significant influence on Consumer Loyalty.

## RESULTS AND DISCUSSION

### Research Result

Evaluating for an item will straightforwardly affect the degree of interest for that item. For buyers, cost isn't simply the conversion scale of labor and products, however shoppers generally expect proper correspondence between the item helps they will get and the penances they cause. Price perception plays an important role in MSME product planning. In addition to price, special attention is also needed regarding the Brand Image that will be used and associated with MSME products, so that consumers can easily recognize products sold in MSME.

### Validity Test

The purpose of this test is to find out whether the measurement tools that have been compiled have validity or not. Operational validity or not. Operationally validity can be defined as whether the questionnaire reveals the level of validity of the population and research.

Validity test decision-making:

- If the value of r count > r table, then the question item is valid.
  - If the value of r count > r table, then the question item is invalid (fails).
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Table 1 Validity test

No	Variable dan Item	R	R Count	Information
<i>Price Perception</i>				
	X1.1	0,2404	0,689	Valid
	X1.2	0,2404	0,849	Valid
	X1.3	0,2404	0,860	Valid
	X1.4	0,2404	0,681	Valid
	X1.5	0,2404	0,689	Valid
	X1.6	0,2404	0,849	Valid
<i>Brand Image</i>				
	X2.1	0,2404	0,310	Valid
	X2.2	0,2404	0,487	Valid
	X2.3	0,2404	0,381	Valid
	X2.4	0,2404	0,402	Valid
	X2.5	0,2404	0,400	Valid
<i>Loyalties</i>				
	Y1.1	0,2404	1,000	Valid
	Y1.2	0,2404	0,827	Valid
	Y1.3	0,2404	0,737	Valid
	Y 1.4	0,2404	0,310	Valid

The results for all variables in this study indicate that the value of r count > r table is 0.2404. This shows that the questions on all the research variables are valid.

#### Reliability Test

This test is led to decide the degree to which a variable or develop is supposed to be solid (fit) to be utilized for research (Tanuwibowo, 2015). The outcome is a

record that demonstrates the way that far an estimating gadget can be relied upon or depended on. Reliability test decision-making:

- If a variable has a reliability value (Cronbach's Alpha) > 0.6 it is said to be reliable
- If a variable has a reliability value (Cronbach's Alpha) > 0.6 it is said to be unreliable.

Table 2. Validity Test

No	Variable	Cronbach alpha	Information
1	Price Perception	0,858	Reliable
2	Brand Image	0.726	Reliable
3	Loyalty	0,743	Reliable

The factors in this review in view of the dependability test showed a Cronbach alpha worth above 0.60 so it very well may

be reasoned that everything was dependable.

**Hypothesis Test**

**Table 3 Hypothesis Test**

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std Error	Beta	T	Sig.
Price Perception -> Loyalty	0.257	0.341	0.217	4.251	.013
Brand Image--> Loyalty	0.248	0.301	0.370	4.190	.000

**Hypothesis Testing 1**

The consequences of testing the impact of Seen Cost on Dependability got an importance worth of 0.013 <0.05, it was gotten that Speculation 1 was acknowledged. It implies that Apparent Cost essentially affects the degree of Shopper Unwaveringness on the grounds that the job of cost straightforwardly impacts and decides purchaser choices to stay steadfast and purchase items.

Dedication is a demeanor towards substantial items that is communicated by purchasers as preferences or aversions, and chooses whether to purchase the item or not. Unwaveringness is high assuming customers are firm on the item they pick, though devotion is low on the off chance that shoppers are inclined to changing to different items.

**Hypothesis Testing 2**

The consequences of testing the impact of Brand Picture on Purchaser Dedication got an importance worth of 0.000 <0.05, so it was acquired that

Speculation 2 was acknowledged. This implies that Brand Picture altogether affects the degree of Buyer Reliability.

A brand is characterized as a name, sign, image, or configuration made to stamp or distinguish the item presented by the client. A brand isn't a name nor an image or logo. A brand is an "umbrella" that addresses an item or administration.

A brand makes a series of promises which include trust, consistency, and expectations. Thus, brands are important for both consumers and producers. For consumers, brands are useful for facilitating the purchasing decision process and are a guarantee of quality, whereas, for producers, brands can help efforts to build loyalty and sustainable relationships with consumers.

**CONCLUSION**

In light of the consequences of information examination, speculation testing, and conversation, it tends to be presumed that there is a huge connection

between the impact of Cost Apparent on Buyer Devotion, and there is critical impact of Brand Picture on Customer Steadfastness. Consumer loyalty in determining and choosing a product is also inseparable from the image of the product. Brand image is a set of beliefs about a particular product. The brand image itself greatly influences the buyer's decision for a consumer because the values contained in each brand have different values in the eyes of one consumer and another. Furthermore, a brand is all the attributes (tangible and intangible) that guarantee its authenticity. So the most important thing is how to build a really strong brand. Customers view a brand as a significant piece of the item. MSME customers structure an assumption for worth and act, in light of that they work out or assess which deal will offer the most noteworthy benefit. Offers that meet purchaser esteem assumptions influence fulfillment and the chance of customers repurchasing and eventually being faithful to MSME item marks.

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