



Determining Consumer Purchase Decisions For Product Imitation In Developing Countries

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Abstract. This study aimed to determine the effect of customer loyalty, brand image, and price on purchasing decisions for Umama Scarves hijab products, which are imitation products from the Buttonscarves hijab brand. This research was conducted in West Java, Indonesia. The sampling technique used in this research is non-probability sampling with purposive sampling. The sample criteria are loyal Buttonscarves customers aged 18-45 years who have purchased Umama premium scarve products. Data analysis using multiple linear regression. The dependent variable in this study is purchase decision, and the independent variables are customer loyalty, price, and brand image. This research shows that purchasing decisions are simultaneously influenced by customer loyalty, brand image, and price. Meanwhile, the partial test results show that brand image and price affect purchasing decisions, while customer loyalty does not affect purchasing decisions on imitation products in developing countries. Therefore, Umama Scarves must consider the brand image and price variables in influencing purchasing decisions.

Keywords: Purchase Decisions, Product Imitation, Brand Image, Customer Loyalty, Price

1 Introduction

Indonesia is a developing country with a vast population. Data from the Central Bureau of Statistics records that in 2022, the population of Indonesia will reach 275.77 people, which has increased by 1.13% from the previous year. Data reported by the Ministry of Cooperatives and Small and Medium Enterprises states that in 2022, MSMEs in Indonesia will reach 8.71 million business units, and the island of Java, especially West Java, will dominate. It is recorded that there are 1.49 million business units in West Java. The business units are in great demand by the public, including the hijab fashion industry. In the industry, there is a well-known brand with a good reputation in the eyes of the public, namely Buttonscarves. Buttonscarves carries a luxurious and high-quality hijab theme. This is reflected in their exclusive product packaging and excellent fabric quality. Since its inception until now, Buttonscarves has chosen an extraordinary number of loyal customers spread throughout Indonesia. Buttonscarves' success invited several of its competitors to follow its line. What is most striking is the Umama Scarves

Premium series product, which, in terms of packaging and material design, is very similar to Buttonscarves.

Buttonscarves customers are rated as very loyal customers. They are members of a particular community of loyal Buttonscarves customers called BS Lady. Even though the price offered for Buttonscarves products is quite expensive, their loyal customers are still loyal to buy Buttonscarves products. The success of Buttonscarves in building its branding is reflected in the increase in sales from year to year and business development, which has reached the international market. Meanwhile, Umama Scarves is a hijab MSME that has existed in Indonesia since 2016. At the beginning of its appearance, Umama Scarf raised the theme of affordable hijab so that it was easy for various groups to get. However, in 2022, Umama will start releasing premium products similar in packaging, logo, and quality to Buttonscarves.

Previous studies have shown that high customer loyalty makes purchasing decisions for a product higher ¹. In addition, a good brand image of a product also increases customer loyalty to that product ². In addition, a good brand image also increases purchasing decisions ³. Social media, which is widely used today, also helps improve the brand image of a product, which in turn helps improve purchasing decisions ⁴.

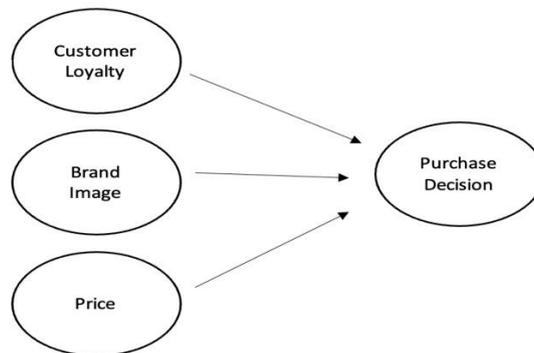


Figure 1. Research Model

In developing countries, low prices tend to be preferred by customers, increasing the purchasing decision of a product ⁵. However, the current phenomenon is that loyal customers of the Buttonscarves brand also make purchases of premium Umama Scarves products. The logo and packaging, considered exclusive and very similar to Buttonscarves, provide a different experience from loyal Buttonscarves customers to premium products, umama Scarves. Therefore, this study wants to reveal the effect of customer loyalty, price, and brand image on purchasing decisions for Umama Scarves premium products, which are also clones of Buttonscarves hijabs.

1.1 Customer Loyalty

One of the main objectives of marketing activities is often seen as achieving customer loyalty through marketing strategies. Customer loyalty is the most important part of

repeat purchases on customers^{6, 7} said that customer loyalty is a customer's predisposition to prefer a particular product or service over their substitutes available in the marketplace.⁸ said customer loyalty is consumer behavior that is built in positive experience and value, which leads to buying products, even when that may not appear to be the most rational decision.⁹ described customer loyalty as the extent to which the customer has been involved in repurchasing the service of a particular company over the recent years and the importance of that portion of the customer's expenditure regarding his total outlay in that service category.

1.2 Price

According to¹⁰, the price of a product or service is the amount of money consumers pay in exchange for the benefits that the product or service provides. (Kensei and Todd 2003) noted that pricing is a collection of costs influencing customer purchasing decisions. It can be seen from the definition that price has a vital role in purchasing decisions made by consumers.¹¹ stated that price is a sum of money from exchanging a value/benefit of a product/service. Price can be said to be a cost that can be exchanged for the benefits of a product. The price received and the reference price are the two indicators used in this study to determine the pricing¹². Perceived price is how customers assess the price received, whether the price received is high, the price received is low, or is appropriate. Reference price is the basis for comparing prices from consumer references.

1.3 Brand Image

Kotler and Keller¹³ define brand image as the total number of brand associations in consumer memory that influence brand perceptions. Keller also classifies the association of brand image into quality and affective dimensions. According to¹⁴ in his writing entitled "The Influence of Brand Image and Brand Attitudes on Brand Equity," brand image is the overall form of all brand associations associated with a brand. Brand image is a critical aspect of a brand, and image can be based on reality or fiction, depending on how customers perceive it. In addition, brand image measurement can be associated with service quality dimensions. Brand image is usually defined as a set of associations organized around a meaningful theme. Based on the opinion above, brand image represents consumer trust in a particular brand.

1.4 Purchase Decision

According to¹⁵, purchasing decisions are multi-step processes consumers go through before purchasing. In purchasing products or services, consumers will carry out the stages/processes in determining their purchasing decisions.¹⁵ defines purchasing decisions as follows: "Consumer decision-making is a central part of consumer behavior, but the ways people evaluate and choose products (and the amount of thought they put into these choices) vary widely, depending upon such dimensions as the degree of

novelty or risk related to the decision." In other words, purchasing decisions are a significant part of consumer behavior. They are the steps a person takes to evaluate a product by comparing the risks taken in deciding their choices.

2 Methodology

This research was conducted in West Java, Indonesia. The sampling technique used in this research is non-probability sampling with purposive sampling. The sample criteria are loyal Buttonsscarves customers aged 18-45 years who have purchased Umama Premium Scarves products. Data was collected through observation, interviews, and questionnaires. Data analysis using multiple linear regression. The dependent variable in this study is purchase decision, and the independent variables are customer loyalty, price, and brand image.

3 Results and Discussions

This study used 100 respondents using purposive sampling as a data collection technique. Before being processed further, the data from 30 respondents had to be pre-tested to determine the reliability and validity of the data. Based on the results of the validity test, it can be seen that all statement items have a validity coefficient greater than $r_{table} n = 30$ of 0.361, so these items are suitable for use as measuring instruments in research and can be used for further analysis. So, it can be concluded that all statement items stated are valid and can be used in further analysis. While the results of the reliability test show that the statement items on the questionnaire for each variable being studied are greater than 0.6. These results indicate that the items in the questionnaire are reliable for measuring the variables.

Before constructing the regression model, classical assumption testing was carried out so that the formed model gives a BLUE (Best, Linear, Unbiased, Estimator) estimate. This assumption test consists of three tests, namely the normality test, multicollinearity test, and heteroscedasticity test. The normality test results used the Kolmogorov-Smirnov statistical method. Based on these results, the value of Sig. of 0.131. Due to the value of Sig. is greater than alpha 5% ($0.131 > 0.05$), it can be concluded that the residual data is normally distributed. Based on the normality test, it can be concluded that the multiple regression model does not violate the normality assumption.

The multicollinearity test was also conducted using the SPSS 25.0 for Windows software. The output of the multicollinearity test calculation results is that the VIF value of each independent variable is below 10. It can also be seen that each independent variable's tolerance value is above 0.1. Based on these results, it can be concluded that there is no multicollinearity between the independent variables in the model. It is also known that the results of the heteroscedasticity test used the Glejser test statistical method. Based on these results, the value of Sig. each independent variable to the residual

absolute variable. Due to the value of Sig. each independent variable is greater than alpha 5% (0.05), it can be concluded that there is no heteroscedasticity problem in the regression model. Based on the heteroscedasticity test, it can be concluded that the multiple regression model does not violate the assumption of heteroscedasticity.

The multiple regression model to be formed is as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3$$

Where:

Y = Purchase Decision

X1 = Customer Loyalty

X2 = Price

X3 = Brand Image

β_0 = Constant number

β_1 -3 = Regression coefficient

By using the help of SPSS 25.0 for Windows software, the output of multiple linear regression calculation results is obtained as follows:

Table 1. Calculation of Regression Equation Coefficient Values

Model	Unstandardized	Coeffi-	Standard-	t	Sig
	coefficients	Std. Error	ized Coeffi-		
	B		coefficients		
	Beta				
1 (Constant)	15,511	4,749		3,266	,002
Customer Loyalty (X1)	,513	,325	,138	1,576	,118
Price (X2)	,925	,237	,359	3,905	,000
Brand Image (X3)	,557	,160	,307	3,474	,001

Dependent Variable: Purchase Decisions (Y)

Based on the output in Table 4.21, the constant values and regression coefficients are obtained so that the multiple linear regression equation can be formed as follows:

$$Y = 15.511 + 0.513X_1 + 0.925X_2 + 0.557X_3$$

The above equation can be interpreted that if Customer Loyalty (X1), Price (X2), and Brand Image (X3) is zero (0), then the Purchase Decision (Y) will be worth 15,511 units. The regression coefficient of 0.513 means that if Customer Loyalty (X1) increases by one unit and the other variables are constant, then the Purchase Decision (Y) will increase by 0.513 units. The regression coefficient of 0.925 means that if the price (X2) increases by one unit and the other variables are constant, then the Purchase Decision (Y) will increase by 0.925 units. The regression coefficient of 0.557 means that if Brand Image (X3) increases by one unit and the other variables are constant, then the Purchase Decision (Y) will increase by 0.557 units.

Based on the Pearson product-moment correlation analysis, the correlation between the independent variables and the dependent variable can be seen. The correlation

coefficient of 0.637 indicates a strong relationship between the variables Customer Loyalty (X1), Price (X2), and Brand Image (X3) with the Purchase Decision variable (Y).

Once it is known that the value of r is 0.637, the coefficient of determination can be calculated using the following formula:

$$\begin{aligned} KD &= R^2 \times 100\% \\ &= (0.637)^2 \times 100\% \\ &= 40.6\% \end{aligned}$$

Thus, a coefficient of determination of 40.6% is obtained, which indicates that Customer Loyalty (X1), Price (X2), and Brand Image (X3) have a simultaneous effect together of 40.6% on Purchasing Decisions (Y), while the remaining 59.4% is influenced by other factors not observed in this study.

Simultaneous hypothesis testing shows that the Sig. of 0.000 is less than the value (α) = 5% (0.000 < 0.05), then H_0 is rejected and H_1 is accepted, meaning that there is a significant influence from Customer Loyalty (X1), Price (X2), and Brand Image (X3) simultaneously significant effect on Purchase Decision (Y).

Partial hypothesis testing shows that the value of Sig. Variable Customer Loyalty (X1) is greater than the value (α) = 5% (0.118 > 0.05), then H_0 is accepted and H_1 is rejected, meaning that there is no significant effect of Customer Loyalty (X1) partially has a significant effect on Purchase Decision (Y). While the value of Sig. The variable Price (X2) and Brand Image (X3) is smaller than the value (α) = 5% (0.000 and 0.001 < 0.05), then H_0 is rejected and H_1 is accepted, meaning that there is a significant effect of Price (X2) and Brand Image (X3) partially has a significant effect on the Purchase Decision (Y).

From the results of statistical tests that have been carried out, it can be seen that the independent variables, customer loyalty, price, and brand image, simultaneously influence the dependent variable, namely the purchase decision, by 40.6% so that it can be said that 59.4% of purchasing decisions on imitation hijab products are influenced by other factors besides the independent variables in this study. Partially, brand image and price have a significant effect on purchasing decisions. The Umama brand is starting to enter the premium hijab market, which offers products with a more exclusive look. This can be seen from the packaging and the ingredients' quality, which is better than the previous product. This is in line with research which states that brand image influences purchasing decisions. In addition, price has the most decisive influence among other variables on purchasing decisions for Umama Scarves Premium products. Umama's products offer lower prices than those offered by Buttons scarves. With almost the same product quality, people in developing countries like Indonesia prefer products at more affordable prices. This is in line with previous research conducted by ⁵, which stated that in developing countries, price is a fairly high determining factor in purchasing decisions for hijab fashion products.

On the other hand, this study's results indicate that customer loyalty partially does not affect the decision to buy imitation products. This is different from previous research from ¹. When consumers are loyal to a brand with a good image, consumers in

developing countries tend to keep looking for and choosing products with almost the same quality and lower prices. So this can be considered a threat to Buttonsscarves, which has launched products with good quality and quite high prices. Researchers can advise Buttonsscarves to expand the market by entering new market segments while displaying quality products and having a good brand image, but the prices offered can be cheaper. As for Umama Scarves Premium, the advice that researchers can give is to build a better brand image and produce hijab products with more varied designs so that they can be separated from the image as an imitation product.

4 Conclusion

The research results show that the factors that influence purchasing decisions on imitation products in developing countries are price and brand image. When a product offers a lower price than the brand that is used as an example, consumers in developing countries tend to choose products that have almost the same quality but lower prices. The brand image also influences purchasing decisions, but the effect is less significant than the price. Meanwhile, from the research results, it is known that customer loyalty does not influence purchasing decisions on imitation products. Therefore, researchers can advise buttonsscarves to try to expand the market by entering new market segments while still displaying quality products and having a good brand image, but the prices offered can be cheaper. As for umama scarves premium, the advice that researchers can give is to build a better brand image and produce hijab products with more varied designs so that they can be separated from the image as imitation products.

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