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Price Perception and Brand Affect Purchase Decision

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Abstract: This study aims to analyze the influence of price and brand perception on consumer purchasing decisions based on a literature review. Price perception and brand strength are two important factors that can influence consumer behavior in making purchasing decisions. Through a literature review of various relevant studies, this study found that high price perception tends to increase consumer trust and brand loyalty, which ultimately drives positive purchasing decisions. In addition, a strong brand can increase the perception of value at price and provide a competitive advantage in the market. The results of this study indicate that both product price and brand play an important role in influencing consumer purchasing decisions, so companies need to integrate price perception improvement strategies and effective brand management to improve sales performance.

Keyword: product quality; brand; purchase decision

INTRODUCTION

In the business world, purchasing decisions are one of the most important aspects in determining the success of a product or service. Price perception and brand image are two factors that greatly influence consumer purchasing decisions. Price perception includes how consumers understand the value of the money they pay for a product or service, while brand image involves consumers' views of a brand's reputation and quality (Suntoro & Silintowe, 2020).

In recent decades, research has shown that these factors not only influence individual purchasing decisions, but also play a significant role in building consumer loyalty. Therefore, a deeper understanding of how price perception and brand image influence purchasing decisions is essential for entrepreneurs and marketers (Aprillia & Sri Yanthy, 2020).

Price perception is how price information is understood by consumers and made meaningful to them. Factors that influence price perception include price affordability, price according to ability (price competitiveness), price suitability with product quality, and price suitability with benefits. Price perception has a positive effect on purchasing decisions. The better the price perception, the more it increases purchasing decisions. For example, consumers tend to buy because they perceive that the price of a product is cheap and the quality is good (Dzulharnain, 2020).

Brand image is a set of consumer beliefs and perceptions that manufacturers try to create. Brand image has a positive and significant effect on purchasing decisions. The better the brand image, the more it increases the purchasing decision. Brand image has a significant effect on consumer purchasing decisions. When a brand succeeds in building a positive and strong image, consumers tend to feel more confident and comfortable in choosing the product. A strong brand image is often associated with consistent quality, reliability, and value, so consumers feel that they are making the right choice. In addition, brands that succeed in creating emotional associations or images that fit consumers' lifestyles and values can deeply influence their decisions. Consumers are often willing to pay more for brands that they feel reflect their status or identity, making brand image a key factor in the purchasing decision-making process (Azahari & Hakim, 2021).

Brand image and price together have a significant influence on purchasing decisions. A positive brand image can build consumer trust and loyalty, create a higher perceived value of the product, and drive purchasing decisions. Consumers often choose brands they trust and identify with, feeling that the product offers quality and value for the price paid (Napik et al., 2018).

On the other hand, price also plays an important role. Although brand image can increase the appeal of a product, price remains a crucial factor in purchasing decisions. Consumers will assess whether the price offered is in accordance with the perceived value of the brand. If the price is too high compared to their perceived value or the price of competing products, purchasing decisions can be negatively affected. Therefore, the right combination of brand image and price is very important to attract consumers and influence their purchasing decisions (Ofa & Wuisan, 2022).

The purpose of this study is to investigate in more depth how price perception and brand image affect consumer purchasing decisions. Thus, we can identify effective strategies in increasing sales and maintaining consumer loyalty. This study is also expected to contribute to marketing theory and practice, as well as assist entrepreneurs in making more strategic decisions in developing their products and brands.

METHOD

This study adopts a qualitative descriptive approach with the aim of formulating hypotheses for future research through an in-depth analysis of previous studies. Data are taken from credible scientific sources and academic platforms such as Scopus, Emerald, Sage, Web of Science, Sinta, DOAJ, EBSCO, Google Scholar, and digital reference books. The systematic literature review (SLR) method is consistently applied to evaluate and analyze relevant research materials, thus ensuring valid results and meaningful contributions to the field of study. This approach helps identify underlying patterns and relationships in the topic under study, and provides a solid foundation for the development of hypotheses and future research questions. (Tri Nuryani et al., 2022).

RESULTS AND DISCUSSION

Price perception

Price is a very crucial strategy in determining the position of a product in the market. Price is not just a number set by the company, but also reflects the value of the product in the eyes of consumers. The right pricing strategy can help companies attract customers, beat competitors, and increase market share. For example, a price penetration strategy, where the price of a product is set lower to attract many consumers and then slowly increased as customer loyalty and brand recognition increase (Shabrina & Budiarmo, 2020).

On the other hand, a premium pricing strategy reflects the quality and exclusivity of the product, where a higher price can create a greater perception of value in the eyes of consumers.

This is often used for luxury products or highly differentiated goods. A good pricing strategy should consider factors such as production costs, competitor prices, demand elasticity, and consumer perception of value. Thus, the company can achieve long-term profit goals while maintaining customer satisfaction and loyalty (Hudaya, 2021).

Brand

A brand is a unique identity that differentiates a product or service from its competitors in the market. A brand is not just a name or logo, but also includes the entire experience and perception that consumers have of the product. With a strong brand, companies can build consumer trust and loyalty, which in turn can increase the value of the product in the eyes of customers. Brands that succeed in creating emotional bonds with consumers will be easier to survive in market competition and face changing trends (M & Ali, 2017).

In addition, brands also function as a communication tool that connects companies with target markets. Through brands, companies can convey their values, visions, and missions to consumers. Consistent and relevant brands will help companies create a positive image and increase competitiveness. An effective branding strategy can strengthen a product's position in the market, increase consumer loyalty, and open up opportunities for future business expansion (Djumarno et al., 2023).

Purchase Decision

The purchase decision is a complex process involving a series of stages that consumers go through before deciding to buy a product or service. This process usually begins with the recognition of a need or problem, where the consumer realizes that there is a need that needs to be met. After that, the consumer will look for information related to products or services that can meet the need, either through online research, referrals from friends, or through personal experience. The alternative evaluation stage then occurs, where consumers compare various options based on certain criteria such as price, quality, and product features (Shabrina & Budiatmo, 2020).

After evaluating various alternatives, consumers finally make a purchase decision based on their preferences and priorities. However, the process does not end here. Post-purchase, consumers will evaluate their satisfaction with the purchased product or service, which will ultimately influence future purchase decisions. If consumers are satisfied, they are more likely to become loyal customers and may recommend the product to others. On the contrary, if they are dissatisfied, they may avoid the product in the future and submit complaints or negative reviews (Arief et al., 2023).

Table 1. Literature Study

No	Author	Previous Results	Research	Similarities With This Article	Differences With This Article	H
1	(Fauziah et al., 2023)	The Influence of Online Reviews, Quality and Perception on Purchasing Decisions	Consumer Product Price	Price perception on purchasing decisions	Online, product quality	H1
2	(Nurliyanti et al., 2022)	The Influence of Price, Promotion and Brand Image on Purchasing Decisions (Literature Review of Marketing	Promotion and Brand Image	Brand on purchasing decisions	on promotions	H2

		Management Strategy)					
3	(Cahyani Nesanta et al., 2024; Sudirjo et al., 2023)	Brand Mediates Quality and Purchasing Decisions	Image Product Price on Decisions	Brand price purchasing decisions	image, purchasing	Brand image as mediation	H1. H2

Sumber : literature review

Discussion

Price perception on purchasing decisions

Price perception plays a significant role in consumer purchasing decisions, often more than the price itself. When consumers evaluate a product, they look not only at the face value, but also at the value they receive. If consumers feel that the product provides value for money, they are more likely to purchase it. Conversely, if they feel that the price is too high compared to the benefits received or compared to similar products in the market, they may decide not to purchase it.

In addition, pricing strategies such as discounts and promotions can influence price perceptions and purchasing decisions. Large discounts or promotional offers often increase the appeal of a product, encouraging consumers to make a purchase more quickly. In addition, psychological pricing techniques, such as using a price ending in 99, can make a product appear cheaper and more attractive than a rounded price, even if the difference is small.

Brand on purchasing decisions

Brands have a significant impact on purchasing decisions for a number of reasons. First, strong brands are often associated with quality and trust. Consumers tend to choose brands that are well-known and trusted because they feel more confident that the product meets the quality standards they expect. This makes branding an important factor in building customer loyalty and influencing purchasing decisions, especially in competitive markets.

Brands also play a role in shaping consumers' identity and self-image. Many consumers choose a particular brand because it reflects their lifestyle, social status, or values. Therefore, brands that successfully create an emotional connection with their consumers can often significantly influence purchasing decisions. This explains why brands can be a key element in a marketing strategy and how consumers are often willing to pay more for brands that they perceive as prestigious or that fit their image.

Conceptual framework of the research

Based on the formulation of the problem, discussion and relevant research, the conceptual framework of this article is obtained as in Figure 1 below.

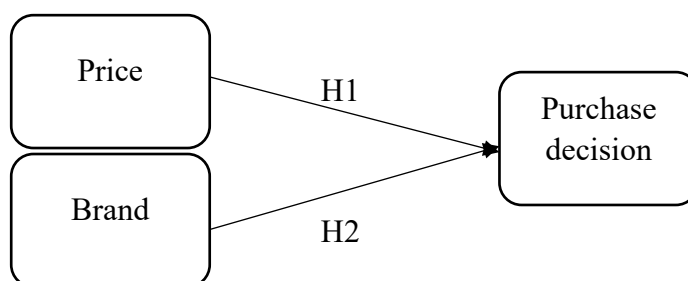


Figure 1. Framework

CONCLUSION

Based on studies from various previous literature, it is said that price and brand perceptions significantly influence purchasing decisions. Purchasing decisions will go well and increase if the company pays attention to price and brand perceptions of the products sold.

- 1) Price perception influences purchasing decisions
- 2) Brand influences purchasing decisions

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