The Influence of Brand Image, Advertising, and Discount Prices on Purchase Intention at CV Putra Jaya

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Abstract

Research aim : *This study investigates the influence of brand image, advertising, and discount prices on purchase intention at CV Putra Jaya. The research aims to determine the extent to which these factors drive consumer behavior and contribute to marketing effectiveness.*

Design/Methode/Approach : *The study adopts a quantitative research approach, utilizing survey data collected from 40 respondents who are customers or potential customers of CV Putra Jaya. This research was designed with a causal research design with a quantitative approach, namely test.*

Research Finding : *The results indicate that brand image and advertising have a significant positive effect on purchase intention, while discount prices demonstrate a moderate effect. Among these factors, brand image emerged as the strongest predictor of purchase intention, highlighting its critical role in shaping consumer decisions.*

Theoretical contribution/Originality : *This research contributes to the literature by integrating brand image, advertising, and discount pricing as simultaneous predictors of purchase intention, providing a holistic perspective on consumer behavior in the retail sector.*

Practitionel/Policy implication : *The findings suggest that businesses like CV Putra Jaya should prioritize enhancing brand image and creating impactful advertising campaigns while strategically using discounts to boost sales without undermining perceived value.*

Research limitation : *The study focuses on a single retail company and its customers, which may limit the generalizability of the findings. Future research could explore other industries or comparative analyses across regions.*

Keywords : *Brand Image, Advertising, Discount Prices, Purchase Intention, Retail Marketing.*

1. Introduction

The furniture industry in Indonesia continues to grow rapidly, in line with the increasing needs of households, offices and other commercial sectors.[1] One company operating in this field is CV Putra Jaya, which has long been operating in the supply of quality furniture. As a company operating in the furniture sector, CV Putra Jaya faces increasingly fierce competition,

both from local and international manufacturers, so it is very important for companies to understand the factors that can encourage consumers to buy their products.[2]

Several factors that are believed to influence consumer purchasing decisions or purchase intention are influence (social influence), advertising (advertising), and discount price (discounted price). [3] In today's business world, consumers tend to be influenced by the information they receive from various sources, including friends, family, and advertising campaigns they see in mass media and social media. Apart from that, price is also one of the main considerations in purchasing decisions, especially when companies provide discounts or attractive promotions. [4]

Social influence theory focuses on how an individual's behavior and attitudes can be influenced by others in their social environment. In the context of purchasing decisions, social influence refers to how other people, such as friends, family, or coworkers, can influence someone in choosing and purchasing a product. [5] Word-of-mouth (WOM), online reviews, and recommendations from trusted people can strengthen consumers' purchasing intentions. Advertising as a communication tool that influences consumer perceptions and purchasing decisions.[6] Advertisements provide information about the product and form a brand image in the minds of consumers. [7] Based on this theory, effective advertising not only influences perceptions but can also generate purchase intentions in an attractive and persuasive way. Value perception theory states that consumers will judge the value of a product based on the price they pay compared to the benefits or quality received. Discounted prices are thought to increase perceived value because consumers feel they are getting more benefits at lower costs. This can increase their purchasing intentions, especially if consumers feel they are getting more benefits than the price paid [8].

CV Putra Jaya, which has been operating for more than 10 years, has recorded sales fluctuations which can be influenced by various external and internal factors. In 2020, for example, sales experienced a significant decline due to the COVID-19 pandemic, which caused a reduction in people's purchasing power and disruption to the raw material supply chain. However, the following year, sales increased again after the company utilized social media and discount offers to attract new customers.

Even though CV Putra Jaya has tried various marketing strategies, such as discount promotions and advertising campaigns on various platforms, the company still faces challenges in increasing consumer purchasing intentions in the long term. This shows that companies need to conduct further research to understand more deeply the factors that influence purchase intention and how effective marketing strategies can be implemented to increase sales.[9]

These sales fluctuations indicate challenges in maintaining customer loyalty, especially in an increasingly competitive market. In this context, brand loyalty is the key to business sustainability. Loyal customers not only make repeat purchases but also recommend the brand to others.

CV Putra Jaya Sales Data

2019: Furniture sales reached 5,000 units, with superior products such as chairs and dining tables being the most purchased. Sales were driven by increased demand in the domestic

market.

2020: Sales declined drastically by 12% to 4,400 units due to the impact of the COVID-19 pandemic, with most consumers postponing purchases due to economic uncertainty.

2021: Sales begin to recover with a 15% increase to 5,060 units, thanks to a more intensive marketing strategy through digital platforms and social media, as well as the launch of new products.

2022: Sales stagnate at 5,100 units, although CV Putra Jaya continues to implement price cuts and advertising on social media, there is a decline in sales growth due to price competition and lack of innovation in products.

2023: Sales again increase 18% to 6,000 units, after the company improves its marketing strategy by adding attractive discount promos and introducing a customer loyalty program.

Based on the initial data obtained, it was found that advertising via social media has quite a large influence on consumer purchasing intentions. Most respondents admitted that they purchased furniture products more often after seeing attractive advertisements on platforms such as Instagram and Facebook. In addition, providing discounts of 10-15% has been proven to increase purchase intentions by 25% among consumers who participated in this survey.

Formulation of the problem

1. How does brand image influence purchase intention at CV Putra Jaya?
2. How does advertising influence purchase intention at CV Putra Jaya?
3. How does the discount price influence purchase intention at CV Putra Jaya?
4. To what extent do brand image, advertising and discount prices simultaneously influence purchase intention at CV Putra Jaya?

1.1. Statement of Problem

Although these various factors have been discussed in previous research, the influence of all three simultaneously on purchase intention in the furniture industry, especially in the context of buying and selling processed wooden furniture, has not yet been widely explored. This research aims to fill this gap by focusing on CV Putra Jaya.

1.2. Research Objectives

Research on the influence of factors such as influence, advertising, and discount prices on purchase intention in the furniture industry is still limited, especially in local companies such as CV Putra Jaya. Some research gaps found in previous studies are:

1. Influence of Social Influence (Influence):

Although many studies show that social influence, such as recommendations from friends and family, can influence purchasing decisions, not many studies have explored the influence of social influence in the context of the local furniture industry, especially in Indonesia. This study aims to fill this gap by testing how big a role social influence plays in determining purchase intentions for furniture products.

2. The Role of Advertising (Advertising) in Increasing Purchase Intention:

Research related to the influence of advertising on purchase intention often focuses on other consumer products such as fashion or food and drink, but there is not much research that discusses the influence of advertising in the furniture industry. Therefore, this research gap can be filled by exploring the influence of advertising, both traditional and digital, on furniture purchase intentions.

3. Discount Price and Purchase of Furniture Products:

Several studies have shown that discount prices influence purchasing decisions in various types of products. However, little research has investigated its impact in the context of the furniture industry. This research will fill this gap by focusing on how discounts influence consumers' purchasing intentions for furniture products.

4. Interrelationship Between These Factors:

Although there are studies that discuss the influence of each factor on purchase intention, few discuss the relationship of the three factors simultaneously in the furniture industry. This research attempts to fill the gap by looking at the relationship between social influence, advertising and discount prices on purchase intentions at CV Putra Jaya.

2. Method

This research was designed with a causal research design with a quantitative approach, namely tests. The connection or relationship between brand image, advertising and discount prices influence purchase intention at CV Putra Jaya.

The research was conducted at CV Putra Jaya. Population consisting of CV Putra Jaya consumers, this research uses Quantitative method by collecting data accidentally through surveys. Using, the sample is determined as many as 40 respondents. Data collection is carried out by distributing questionnaire consisting of indicators that form research variables, using a Likert scale ranged from 1 (strongly disagree) to 5 (strongly agree). All data obtained were analyzed using path analysis via the SPSS application. The hypothesis will be applied to this research is:

H1: brand image influence purchase intention at CV Putra Jaya

H2: advertising influence purchase intention at CV Putra Jaya

H3: discount price influence purchase intention at CV Putra Jaya

H4: brand image, advertising and discount prices simultaneously influence purchase intention at CV Putra Jaya.

3. Results and Discussion

3.1 Multiple Linear Regression Analysis

To find out how the independent variable influences the dependent variable, a multiple linear regression model is used which is formulated. The results of multiple linear regression analysis can be seen in table 1

Table 1. Multiple Linear Regression Analysis Test Results

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.504	4.182		.360	.721
	Brand image	.359	.125	.330	2.874	.007
	Advertising	.451	.135	.429	3.346	.002
	Discount Price	.258	.097	.340	2.651	.012

a. Dependen variabel: Purchase intention

Source: Primary data processed, 2024

Based on table 1, the following multiple linear regression equation is obtained:

$Y = 1.504 + 0.359 X_1 + 0.451 X_2 + 0.258 X_3 + e$

The regression equation above has the following meaning numbers:
a. Constant = 1.504. This value shows that if the variables (X_1), (X_2) and (X_3) have a value of 0, then the value of (Y) is 1.504.
b. Coefficient X_1 = 0.359. Variable X_1 has an influence on Y with a regression coefficient of 0.359 units, meaning that if there is an increase in variable X_1 increases by 1 unit.
c. Coefficient X_2 = 0.451. Variable X_2 has a positive influence on Y with a regression coefficient of 0.451 units, meaning that if variable X_2 increases by 1 unit.
d. Coefficient X_3 = 0.258. Variable X_3 has a positive influence on Y with a regression coefficient of 0.258, meaning that if there is an increase in variable X_3 increases by 1 unit.

3.2 Coefficient of Determination Test (adjusted R2)

The coefficient of determination (adjusted R^2) is intended to determine the extent of the model's ability to explain variations in the dependent variable [10]. Determination analysis is used to determine the percentage contribution of the independent variable's influence simultaneously on the dependent variable.

This coefficient shows how large a percentage of the variation in the independent variable used in the model is able to explain the dependent variable. Adjusted R^2 = 0, so the variation in the independent variable used in the method does not explain the variation in the dependent variable at all. Conversely, if Adjusted R^2 = 1 then the variation in the independent variable used in the model explains 100% of the variation in the dependent variable.

The following table 2 shows the results of the coefficient of determination of the three independent variables.

Table 2. Coefficient of Determination Test

Adjusted R^2
Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.726[a]	.527	.487	2.386

a. Predictors: (Constant), Discount Price, Brand image, Advertising

b. Dependent Variable: Purchase intention
Source: Primary data processed, 2024

Based on table 2, it can be seen that the adjusted R2 value is 0.408. This shows that the independent variables brand image, advertising, and discount price are able to explain the dependent variable (purchase intention) by 48,7% and the remaining 51,3% is explained by other variables not studied in this research.

3.3 Hypotesis Testing

Testing the hypothesis in this study using the t-test and F-test, as follows:

Partial test results are carried out via the t test, where the values are compared with a significance level of 0.05. Details of partial test results can be found in Table 3.

Table 3. T-Test (Partial Test)
Coefficients[a]

	Model	T	Sig.
1	(Constant)	.360	.721
	Brand image	2.874	.007
	Advertising	3.346	.002
	Discount Price	2.651	.012

Source : Primary data processed, 2024.

Table 3 depicts the results of the t test, where the significance value for the brand image variable was found to be 0.007, lower than the significance level of 0.05 [11]. Therefore, the null hypothesis (H0) is rejected, and the alternative hypothesis (Ha) is accepted. These results indicate that the brand image variable has a partially significant influence on purchase intention.

Furthermore, from the calculations in Table 3, it is found that the significance value for the advertising variable is 0.002, also less than 0.05. As a result, H0 is rejected, and Ha is

accepted. This means that the advertising variable partly has a significant effect on purchase intention.

Finally, based on the calculation results in Table 3, the significance of the discount price variable reaches a value of 0.012, which is lower than the significance level of 0.05. Thus, H0 is rejected and Ha is accepted. Overall, the discount price variable has a partially significant influence on purchase intention.

The F test is used to evaluate the extent to which independent variables, influence the dependent variable. The purpose of the F test is to identify the simultaneous influence of these variables. Comparison of the results of the probability values is carried out in the F test, which will then be compared with a significance level of 0.05. Detailed results of this simultaneous test can be found in Table 4.

Table 4. F-Test (SimultaniousTest)

ANOVAᵃ

Model		F	Sig.
1	Regression	13.350	.000ᵇ
	Residual		
	Total		

Source : Primary data processed, 2024.

Based on the F test results recorded in Table 4, it was found that the significance value reached 0.000, this value is lower than the significance level of 0.05. Therefore, (H0) is rejected and the alternative hypothesis (Ha) is accepted [12]. In conclusion, the variables of brand image, advertising, and discount price have a significant influence simultaneously on purchase intention variables.

4. Conclusion

The conclusion of this research is that both partial and simultaneous brand image, advertising, and discount price simultaneously influence purchase intention at CV Putra Jaya.

The results of this research can be used as a bridge to carry out further research, especially in the same field of study. Future research needs to expand the research variables so that it can produce better research, so that other factors such as location, perceived quality, word of mouth and so on also need to be studied because they can relate to purchase intention. The limitations in conducting this research are lack of access and lack of time for taking research samples

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