

Analysis Of The Influence Of Brand Image, Product Quality, and Price Perception On Interest To Buy Oriflame Product

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ABSTRACT. The increasingly fierce market competition will indirectly affect the business of a company in maintaining its market share. Companies are required to maintain a brand image, product quality, price, and understand the behavior of the target market by offering quality products to generate buying interest in customers. The population of this research is all consumers who use Oriflame products in Denpasar city. The sample in this study amounted to 100 respondents who were determined based on the purposive sampling method. This study aims to determine and analyze the effect of brand image, product quality, and price perception on purchase intention of Oriflame products. The results of this study indicate that brand image, product quality, and price perception have a positive and significant effect on buying interest. Advice is given to companies; to continue to improve brand image, product quality so that Oriflame consumers remain loyal to Oriflame products.

INTRODUCTION

Cosmetics is a necessity that plays an important role in the field of beauty for the beauty of the human body. Agency Regulation Drug and Food Control (BPOM) regarding Technical Requirements Cosmetics explains that: Substances or preparations intended for use in parts of outside the human body (epidermis, hair, nails, lips, and genital organs) external) or teeth, mucous membranes of the mouth especially for cleaning, perfuming, changing appearance, and/or repairing the body or protect or maintain the body in good condition.

Cosmetics on the market are very diverse in both brands, types, uses, as well as their color and shape, so it is often confusing for consumers in the choice of cosmetics. The classification of cosmetics according to their use for the skin is divided into 2 types, namely: (1) skin-care cosmetics, is a cosmetic to maintain, care for and maintain skin conditions (2) make-up cosmetics (decorative or make-up), are cosmetics to beautify the face(1).

Cosmetics are also a way for humans to show their self-image to other humans. Nowadays society has been influenced by cosmetics. Changes in human lifestyles that are more consumptive also affect the movement of the cosmetic industry in Indonesia. This makes people influenced by various kinds of cosmetics. Where the brand image of a cosmetic brand is considered to be able to present the user's self-image. The brand image of a cosmetic product also makes a person known through his social class. Whether the cosmetic brand worn is a well-known brand or not. Perceived value in consumers is an overall assessment of the usefulness of a product or service. So that consumer perceptions of a product affect whether consumers will intend to purchase the product.

Oriflame is a cosmetic company engaged in MLM (multi-level-marketing) which was started in Stockholm, Sweden, in 1967 by two brothers Jonas and Robert Af Jochnick. Oriflame provides all makeup support tools, including lip gloss, lipstick, powder, mascara, bb cream, and others needed to support appearance in social life. In addition, there are also facial, hand, foot, feminine care creams, and even nails as an extra treat for those who want to look better and more charming.

Here, the object of research that discusses the analysis of the influence of brand image, product quality, and price perception on buying interest in Oriflame products is the consumers of Oriflame products. The reason is that most of the consumers of Oriflame products already know this Oriflame product and some of them even become users or members of the product.

LITERATURE REVIEW

Theory of Reasoned Action

The theory of reasoned action (TRA) is based on the assumption that humans behave consciously, considering the available information, and also considering the implications of the actions taken. In this theory

intention is a factor that influences action. Intentions are influenced by two factors, namely personal factors and social influence factors. The personal factor is based on the individual's belief in the behavior, while the social influence factor is based on the individual's belief in normal behavior and is accepted by society. In this study, the behavior in question is the behavior of consumers, how consumers select, interpret information, ideas or experiences to satisfy their needs and desires. Personal factors relate to attitudes, where the attitude of consumers who trust producers will lead to feelings of satisfaction/dissatisfaction with the services or goods offered by producers. Social influence factors relate to the beliefs of others, where the individual's perception of the beliefs of others will affect feelings of satisfaction/dissatisfaction with the services or goods offered by producers.

Brand Image

Brand image is a representation of the overall perception of the brand and is formed from information and past experiences of the brand. The image of the brand is related to attitudes in the form of beliefs and preferences for a brand. Consumers who have a positive image of a brand are more likely to make a purchase.

Product Quality

Product quality is how the product has a value that can satisfy consumers both physically and psychologically which refers to the attributes or properties contained in an item or result.

Price Perception

Price perception is the view or perception of consumers about certain prices (high, low, reasonable) which have a strong strong influence on buying interest and consumer satisfaction(2).

Buying Interest

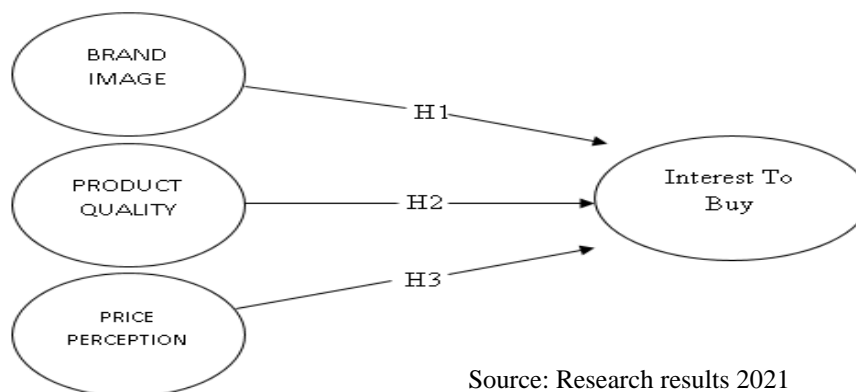
Buying interest is a pure desire in consumers for a product as a result of the impact of the consumer's observation and learning process on a product.

Hypothesis

- H1: Brand Image has a positive and significant effect on buying interest in Oriflame products.
- H2: Product quality has a positive and significant effect on consumer buying interest in Oriflame products.
- H3: Price Perception has a positive and significant effect on consumer buying interest in Oriflame products.

METHODOLOGY

This research was conducted on consumers who use Oriflame Products. In this study, the researchers took place on Jalan Letda Tantular, Mama Leon Shopping Mall, Denpasar, Bali, Indonesia. The object of the research is brand image, product quality, and price perception on the interest in buying Oriflame products. In this study, the research population is all consumers who use Oriflame products in the city of Denpasar. By taking a sample of 100 respondents. The sampling technique used in this study was the purposive sampling method, namely sampling based on certain criteria. This study focuses on the relationship between brand image, product quality, and price perception on purchase intention which is explained through the following conceptual framework.



Source: Research results 2021

FIGURE 1. The framework of Research Concepts

RESULTS AND DISCUSSION

Classic Assumption Test Results

1. Validity Test

TABLE 1. Recapitulation of Validity Test Result

No	Variable	Question Item	Validities	
			Coefficient Correlation	Description
1	Brand Image (X ₁)	X _{1,1}	0,903	Valid
		X _{1,2}	0,867	Valid
		X _{1,3}	0,822	Valid
2	Product Quality (X ₂)	X _{2,1}	0,903	Valid
		X _{2,2}	0,914	Valid
		X _{2,3}	0,919	Valid
3	Price Perception (X ₃)	X _{3,1}	0,793	Valid
		X _{3,2}	0,911	Valid
		X _{3,3}	0,848	Valid
		X _{3,4}	0,825	Valid
4	Buying Interest (Y)	Y ₁	0,891	Valid
		Y ₂	0,814	Valid
		Y ₃	0,886	Valid

Based on Table 1 above, the test was carried out on 100 respondents, it is known that all variables have a correlation coefficient value above 0.3, thus all of these instruments are valid, so they are worthy of being used as research instruments.

2. Reliability Test

TABLE 2. Recapitulation of Reliability Test Results

No	Variable	Cronbach Alpha	Description
1	Brand Image (X ₁)	0,830	Reliable
2	Product Quality (X ₂)	0,898	Reliable
3	Price Perception (X ₃)	0,856	Reliable
4	Buying Interest (Y)	0,827	Reliable

Source: Data Process, 2021

An instrument is said to be reliable or reliable if it has an alpha coefficient (α) greater than 0.6. Based on Table 2 above, all variables have Cronbach's Alpha coefficient values above 0.6, thus all of these instruments are reliable, so they are worthy of being used as research instruments. Reliability testing in this study was carried out once, namely the first test of 100 respondents.

3. Normality Test

TABLE 3. Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		100
Normal Parameters ^b	Mean	,0000000
	Std. Deviation	1,49200014
Most Extreme Differences	Absolute	,067

	Positive	,033
	Negative	-,067
Test Statistic		,067
Asymp. Sig. (2-tailed)		,200 ^{c,d}
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Source: Data Process, 2021

Based on Table 3 above, the results obtained using the Kolmogorov-Smirnov test provided that if the significance of each variable was greater than 0.05 then it was normally distributed, whereas if the significance of each variable was less than 0.05 then the data was not normally distributed. The results of the normality test have a significance level of $0.200 > 0.05$, so it can be said that the regression model meets the assumption of normality.

4. Multicollinearity Test

The multicollinearity test aims to test whether the regression model has found a correlation between the independent (independent) variables. If $VIF < 10$ and tolerance value > 0.10 , it is concluded that there is no multicollinearity(3). The results of the multicollinearity test are presented in table 4 below:

TABLE 4. Multicollinearity Test Results

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	,314	1,064		,295	,768		
	Brand Image	,235	,101	,213	2,333	,022	,509	1,963
	Product Quality	,403	,126	,369	3,212	,002	,320	3,124
	Price Perseption	,237	,090	,274	2,617	,010	,386	2,587

a. Dependent Variable: Buying Interest

Source: Data Process, 2021

5. Heteroscedasticity Test

TABLE 5. Heteroscedasticity Test Result

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,002	,645		1,553	,124
	Brand Image	,034	,061	,080	,564	,574
	Product Quality	-,069	,076	-,163	-,911	,365
	Price Perseption	,039	,055	,115	,704	,483

a. Dependent Variable: Buying Interest

Source: Data Process, 2021

Based on table 5 above, shows that all independent variables have significance values, namely: 0.574; 0.365, and 0.483 indicate that the significance value is > 0.05 , so it can be concluded that there are no symptoms of heteroscedasticity.

Multiple Linear Regression Analysis Results

TABLE 6. Multiple Linear Regression Test Results

Variable	Unstandardized Coefficients		standardized Coefficients	t	Sig
	B	Error	Beta		
(Constant)	0,314	1,064		0,295	0,768
Brand Image	0,235	0,101	0,213	2,333	0,022
Product Quality	0,403	0,126	0,369	3,212	0,002
Price Perception	0,237	0,090	0,274	2,617	0,010
R					0,770
<i>R Square</i>					0,594
<i>Adjusted R Square</i>					0,581
<i>F Statistic</i>					46,728
Significance					0,000

Source: Data Process, 2021

Based on Table 6, the linear regression line equation between Brand Image, Product Quality, and Price Perception simultaneously on consumer buying interest is as follows:

$$Y = 0.314 + 0.235X_1 + 0.403X_2 + 0.237X_3 + e$$

Based on the values of a, b1, b2, and b3 obtained by the equation of the multiple linear regression lines between Brand Image, Product Quality, and Price Perception of Consumer Purchase Interest provide information that:

- a. $\beta_1 = 0.235$ means that if the brand image (X1) is improved and product quality (X2), price perception (X3) does not change then consumer buying interest (Y) will increase by 0.235.
- b. $\beta_2 = 0.403$ means that if the product quality (X2) is improved and the brand image (X1), price perception (X3) does not change then consumer buying interest (Y) will increase by 0.403.
- c. $\beta_3 = 0.237$ means that if price perception (X3) is improved by brand image (X1) and product quality (X2) does not change, then consumer buying interest (Y) will increase by 0.237.

Coefficient of Determination (R²)

Based on Table 6 above, the magnitude of R square ($R^2 = 0.594$) means that the variation in the relationship of brand image, product quality, and price perception to purchase intention is 59.4% while the remaining $100\% - 59.4\% = 40.6\%$ is influenced by other factors outside of this study.

Hypothesis test

1. T-test Analysis

- a.) The effect of brand image on buying interest shows an account value of 2.333 and a significant value of t-test of 0.022 which is smaller than (real level) = 0.05, it can be concluded that brand image has a positive and significant effect on buying interest, so the hypothesis first (H1) is accepted.
- b.) The effect of product quality on asking to buy shows a count value of 3.212 and a significant value of t-test of 0.002 which is smaller than (real level) = 0.05, it can be concluded that product quality has a positive and significant effect on buying interest so that the second hypothesis (H2) accepted
- c.) The effect of price perception on buying interest shows a count value of 2.617 and a significant value of t-test of 0.010 which is smaller than (real level) = 0.05, it can be concluded that price perception has a positive and significant effect on buying interest, so the hypothesis third (H3) is accepted.

2. F-test Analysis

Based on table 5.15, the results of the F test (F-test) show that the calculated F value is 46.728 with a significance value of P-value 0.000 which is smaller than = 0.05, this means that the model used in this study is feasible. This result means that all independent variables can predict or explain the phenomenon of buying interest. This means that the model can be used for further analysis or in other words, there is a

simultaneous influence of the variable brand image, product quality, and price perception on buying interest.

3. Multiple Correlation Analysis Results

F Count of 46.728 with a significance value of P-value 0.000 which is smaller than $\alpha = 0.05$, this means that the model used in this study is feasible. This result means that all independent variables can predict or explain the phenomenon of buying interest. This means that the model can be used for further analysis or in other words, there is a simultaneous influence of the variable brand image, product quality, and price perception on buying interest.

The effect of brand image on buying interest

Based on the test results empirically prove that Brand Image has a positive and significant effect on Purchase Interest. This is indicated by the results of the count value of 2,333 and the significant value of the t-test of 0.022 which is smaller than (real level) $\alpha = 0.05$, it can be concluded that brand image has a positive and significant effect on buying interest, so the first hypothesis (H1) accepted. Brand image can satisfy consumers so that the better the consumer's perception of the company's brand image, the higher the consumer's buying interest.

The relationship between Brand Image and Purchase Intention was proposed by Haubl (2011), it was stated that brand image will have a direct effect on the high purchase intention of a product. This is also supported by the opinion of Gaeff (2014) which states that such rapid market developments encourage consumers to pay more attention to the brand image than the physical characteristics of a product in deciding to purchase.

The effect of product quality on buying interest

Based on the test results empirically prove that product quality has a positive and significant effect on purchase intention. This is indicated by the results of the t-count value of 3.212 and the significant value of the t-test of 0.002 which is smaller than (real level) $\alpha = 0.05$, it can be concluded that product quality has a positive and significant effect on buying interest, so the first hypothesis (H2) accepted. The results showed that the higher the quality of the product, the higher the consumer's buying interest, and vice versa if the quality of a product has low product quality, the lower the consumer's buying interest. Companies must maintain the quality they have and improve the quality that already exists so that consumers are not influenced by other competitors and remain loyal to the brand.

The effect of price perception on buying interest

Based on the test results empirically prove that the price has a positive and significant effect on buying interest. This is indicated by the results of the t-count value of 2.617 and the significant value of the t-test of 0.010 which is smaller than (real level) $\alpha = 0.05$, it can be concluded that price perception has a positive and significant effect on buying interest, so the third hypothesis (H3) accepted. The results showed that the better the price perception, the higher the consumer's buying interest, and vice versa if the worse the price perception, the lower the consumer's buying interest.

CONCLUSION

Based on the analysis that has been done in CHAPTER V and to determine the effect of brand image, product quality, and price perception on buying interest in Oriflame products, it can be concluded that the results of the study are as follows:

1. Brand Image has a positive and significant effect on the Purchase Interest of Oriflame Products.
2. Product quality has a positive and significant effect on the Purchase Interest of Oriflame Products.
3. Price has a positive and significant effect on the Purchase Interest of Oriflame Products.

Recommendations

Based on the results of research on the influence of brand image, product quality, and price on buying interest in Oriflame products, the suggestions that can be given are:

1. For Students

The results of this study can be used as teaching resources or case studies in activities in certain subjects. In addition, the results of this study can be used as a literature review to conduct similar research by adding research samples and reconstructing the research model with other variables so that the research results are following the actual situation.

2. For Companies

Several suggestions will be given by researchers, namely:

- a. The competition between the cosmetic (makeup) market is getting tougher. Brand image, product quality, and price are still very relevant and have a positive and significant influence in encouraging and motivating the emergence of buying interest in Oriflame products.
 - b. In the brand image variable, it was found that the Oriflame brand is well known to many people. The advice given is that the Oriflame company should continue to improve its brand image and create good memories in the minds of consumers about Oriflame products so that sales continue to increase every year because the value is already average and very good.
 - c. On product quality variables, conformity with specifications, reliability, and perceived quality get a very good average value, the advice given is that the Oriflame company should continue to improve the quality of the products produced so that consumers remain loyal to Oriflame products.
 - d. In the Price Perception variable, it was found that the affordability of the price was responded to low by consumers, therefore the company was expected to be more considerate in pricing so that it could be reached by all circles.
 - e. In the buying interest variable, it was found that consumers considering buying received a low response from consumers, therefore the management is expected to hold more frequent promotions to increase consumers' desire to buy Oriflame products.
3. For the University
The results of this study can be used as teaching materials as well as examples in reviewing case studies in certain subjects to prepare graduates who later aspire to become public role models.

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