

A Literature Review on the Influence of Promotion, Price and Brand Image to Purchase Decision

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Abstract

This research is motivated by the rapid development of technology at this time in all aspects including information. In addition, according to (Made et al., 2018) and (Foster, 2016) that brand image is an interesting topic to be a variable that influences a consumer's purchasing decision on a cosmetic product. This is more interesting because currently Indonesian consumers like to consume cosmetics made from natural ingredients made from plants. So the marketing strategy which consists of promotion, price and consumer taste factors, namely brand image influences purchasing decisions. This study aims to collect and analyze published articles about the effect of promotion, price and brand image on purchasing decisions. Research design is a literature review. Articles published in the last ten years that appear in 6 management and business journals that are academically recognized have been reviewed in this study. Based on the results of the literature review that promotion, price and brand image are expected to increase purchasing decisions. Purchasing decisions can be measured by increasing sales data. So promotion, price and brand image have a significant influence on purchase satisfaction.

Keywords: promotion, price, brand image, and purchase decision

Introduction

The world of marketing is developing very dynamically in the current era, coupled with the development of consumers from time to time, producers must be more adaptable in research and development by improving the products and marketing strategies used can be implemented accurately and in accordance with the current market. By attracting the attention of consumers, more ideas can be developed for strategies to attract consumers to buy a product (Aditya and Wardana, 2017).

Andrianto (2013) states that the better the brand over the product, the higher or greater the customer will decide to buy the product. Consumers assume a product with a brand image that will be better and safer than them (Iswara and Jatra, 2017). Purchasing decisions are ways in which consumers make decisions between several brands, and finally buy the way they like or the process discussed by consumers in determining the goods or services that will buy based on various considerations (Annafik and Rahardjo, 2012). Purchasing decisions are determined through the process of replacing benefits and values received by consumers (Wang and Tsai, 2014).

Making purchasing decisions by customers is certainly influenced many factors, one of them is seeking information. The main source of information is commercial in various way (Kotler & Keller, 2012). According to (Wibowo & Karimah, 2012) purchase decision is process where consumers make decision to buy certain variety of products and brands starting from needs analysis, seeking information, information evaluation, making purchase and then evaluate decision after purchase. This is in line of a study conducted by (Bai, Law, & Wen, 2008) and (Sparks & Browning, 2011), where it is stated that purchase decision is significant factor of purchasing behavior and this relationship has been studied empirically in hospitality and tourism industry. (Musay, 2013) describes that purchase decision as the process of integration combining knowledge to evaluate the behavior of two or more alternatives and select one of them.

This study uses purchasing decisions indicators such as problem identification, information search, evaluation of alternatives, purchase decision and post purchase behavior. There are some

factors influencing the values of purchasing decision. According to (Kotler & Keller, 2012), several factors that influence purchasing decisions are promotion, pricing, and consumer tastes. These factors also consider environmental and social aspect where brand image of products plays main role in deciding customer's feeling. However, this study only concern on three dominant factors affecting corporate value as promotion, price and social factors (brand image).

Marketing Mix

The first factor affecting purchase decision of customers is promotion. According to (Zikmund, 2011) states that sale is communication function of company which has responsible to inform, persuade and invite prospective customers. (Brata, Husani, & Ali, 2017) points high degree of correlation has positive relationship. This result of study shows the better promotion, the more positive of purchase decision of customers. Promotion is one of factors determining the success of sales strategy of a company. If a company has a better product quality, unfortunately customers do not get information about that. It will be difficult to make purchase decision of customers (Mothersbaugh, Kenneth, & Best, 2007).

A study conducted by (Khan & Dhar, 2010) finds that purchasing bundle is more likely on sale discount particularly offered to hedonic rather than utilitarian component. This finding concludes that promotion is more effective in making purchases, this is in line with study by (Kivetz & Zheng, 2017) that promotional program gives significant effect to purchase decisions.

The second factors influencing purchase decision is price. Price as heuristic cues is more easily observed than quality (Yoon, Oh, Song, Kim, & Kim, 2014). While, according to (Wijaya, 2011) price is amount of money to be paid by customer to obtain product benefits. Reasonable price results in greater value by customer (Lee, 2013) and can increase purchase decisions of consumers (Jiani, 2017) and (Jang, 2007). If price offered in accordance with benefits perceived by consumers, they will make purchase decision easily.

Recent retail studies, lower sale price proves the improvement of consumer purchases greatly (Yoon et al., 2014). These findings provide theoretical basis for direct effect hypothesis and mediation of perceived price on perceived value and purchasing decision. (Lien, Wen, Huang, & Wu, 2015), (Mulya Firdausy & Idawati, 2017) mention that prices have positive effect on purchasing decisions made by consumers directly. It can be said that in purchasing decision, price is a direct effect for consumers to decide making purchase or not. However, brand image mediating price to purchase decision.

The third factors affecting purchase decision is brand image which is called as mediating variable. Brand image is interesting to use as mediating variables because brand image is one thing easily for consumers to remember (Sari & Djatikusuma, 2013). While according to (He, Sha, & Yang, 2013) brand image is overall perceptions of a certain product, seen from understanding information of a product. Brand image is also to help consumers to recognize their need and desire of certain brand and to differentiate one product with other products (Anwar & Gulzar, 2011). The better brand image, the more positive customer's attitude toward that products (Aghekyan-Simonian, Forsythe, Suk Kwon, & Chattaraman, 2012).

The similar result of a study conducted by (Lien et al., 2015) shows that brand image has a positive effect on purchasing decisions. (Ryu, Han, & Kim, 2008) reports that image of a restaurant gives positive influence and improve profitable as the willingness of customers to buy. (H. Bin Chen, Yeh, & Huan, 2014) examine a nostalgic consumption in a restaurant and shows that image of restaurant has a positive impact on consumer purchasing decision. A good brand image boosts consumer confidence because it can reduce the risk of purchasing (Y. H. Chen, Hsu, & Lin, 2010) and (Jang, 2007).

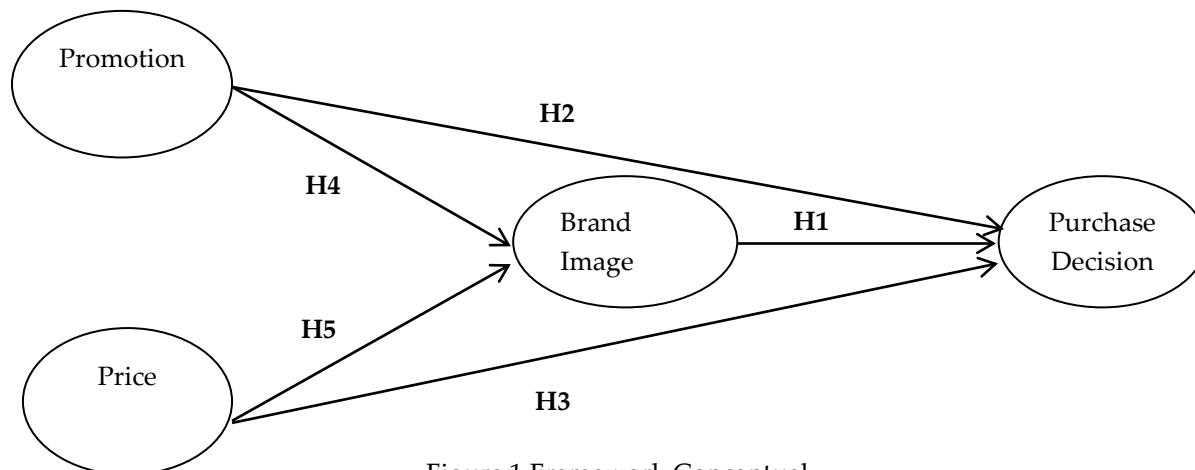


Figure 1 Framework Conceptual

The method used in this literature study adopts systematic literature review (SLR) proposed by Biolchini et al (2005). SLR is a way of identifying, interpreting and evaluating all available research that is relevant to the question or domain of research topic or phenomena of interest to research. Next, Biolchini et al (2005) divided the guidelines for implementing SLR into 3 Phases: (1)Planning, (2)execution, and (3)Analysis of results.

In this literature review the data sources that will be used are paper available on the website page: (1)Emerald insight, (2)Wiley Inter Science, (3)Science direct. Then Strategy in conducting a search is built through the determination of keywords and synonym from the focus of the study. Keyword and synonym are connected to the logical OR and Or connector.

The paper selection procedure was carried out with the speed reading technique of all primary study candidates. Fast reading is reading the abstraction section of the available paper. Furthermore, based on the inclusion and exclusion criteria made, it can be determined whether the paper can be used as a primary study. Based on the planned review, the next step is to execute the plan. Execute search strings on web pages that are used as sources.

Based on the search result on the website page which made the data source produced as many as 1017 article which were primary study candidates, then made one, then screened whether the title in the article was the same or not. After screening, 30 articles were the same as the title. Of the 30 articles then screened based on eligibility according to the inclusion and exclusion criteria obtained 21 articles for further review.

Classification of The Literature

1. Brand image influence to Purchase Decision

Purchasing decisions is the evaluation stage, composing consumer brands in their minds and establish the value of the purchase. Usually, consumers will choose a preferred brand with appropriate prices. Someone who has a good perception of a product will have an influence to purchase decision on product.

Brand image is a concept created by consumer with subjective reason and personal emotions. Added brand image is the perception of a brand represented by brand associations in consumer memory. Thus, the better brand image of product, the more consumers are interested in buying product. If consumers are interested by product, it will improve purchase decisions.

2. The influence of promotion on Brand image and Purchase Decisions

Each company will always strive to do everything possible to preserve and maintain the excellence of the brand image of their products. Brand image can help consumers to choose the products they want. Companies certainly strive to build brand image in order for a product that they can be sold successfully in the market.

Therefore, the promotion is a way making companies can compete in marketing and helping consumers to choose the products they use. If the product used has a good brand image, consumers will be interested in using the product. If consumers are interested in using the promoted product will occur purchasing decisions made by consumers.

3. The influence of Price on Brand Image and Purchase Decision

Price is another factor to be considered in the decision making process purchases made by consumers of a certain product. If a product has a good brand image certainly has a price corresponding to benefits provided by product.

Therefore if a product has a good brand image of course the price offered in accordance with benefits and quality of that products, so that consumers will decide to buy the product at a appropriate price and has good brand image of product.

Result and Analysis of the Classification

This article is analyzed by the year of publication, journal, topic and country. As this analysis will provide guidance for research on the influence of Promotion, Price and Brand Image on Purchase Decision. Where consumer purchasing decisions will benefit income for the. The details are as follows:

Distribution by years of Publication

Where the published articles selected in 2011-2018 are shown in the figure. Where it is clear that research in the field of purchase decision on average has increased. Meanwhile since 2013 researchers published a total of 17 papers (80.5 percent of the total).

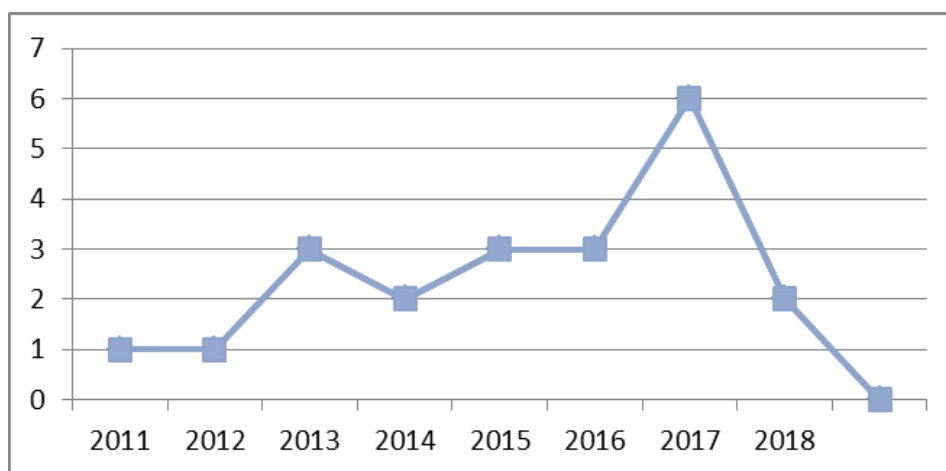


Figure 2 Articles distribution by year

Distribution of articles by Journal

In our list of results. There are a total of 21 different journals from various scientific disciplines (promotion and price and others). Published articles on our topic. Table 1 shows a list of published journals. Both the journal of retailing and consumer services, european scientific journal and journal business and research. Where the most articles by business research are 3 pieces or 14.2 percent of the total.

Table 1 Distribution of articles by Journal

Journal	Number of Articles
Central European Conference on Information and Intelligent System	1
Journal of Retailing and Consumer Services	2
American Research Journal of Humanities and Social Sciences	1
International Journal of Economics, Commerce and Management	1
International Journal of Management Science and Business Administration	1
European Scientific Journal	1
International Journal of Research in Social Sciences	1
Saudi Journal of Business and Management Studies	1
Saudi Journal of Humanities and Social Sciences	1
International Journal of Economics and Management Sciences	1
Jurnal Pendidikan Tata Niaga (JPTN)	1
Journal of Business Research	3
Journal of Consumer Psychology	1
Asia Pacific Management Review	1
International Conference On Systems Engineering and Modeling (ICSEM-13)	1
Journal of social and politic	1
European Journal of Business and Management	2

Distribution of articles by country names

Distribution of articles with country names is shown in Figure 2. It can be seen that the USA is ranked first with a total of 4 articles or 19 percent of the total. But the work of researchers conducted in Indonesia and Dubai each contains 3 articles or 14.2 percent of the total, because the USA, Indonesia and Dubai are countries where the majority of people have relatively high income, therefore consumers often make purchasing decisions.

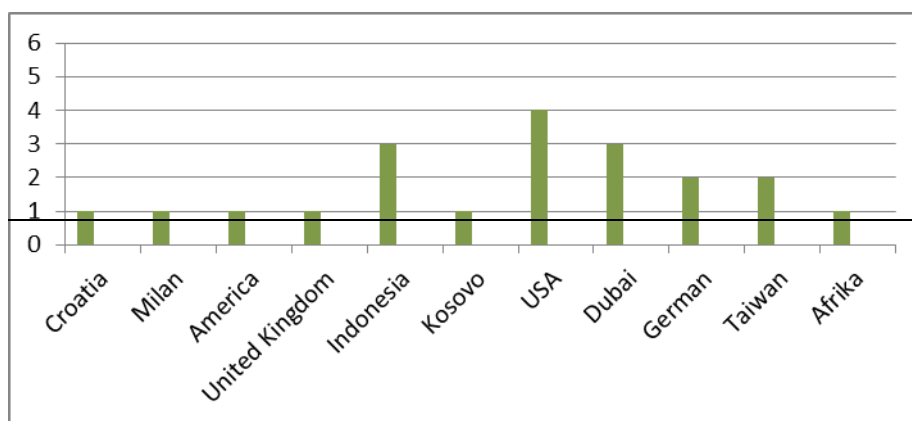


Figure 3 Distribution of articles by country names

Then 21 articles have been selected according to the topic of discussion, so that they can be classified into two categories, namely marketing mix and purchasing decisions. Where the promotion and price variables are 11 articles (52.3% of the total), and the rest are articles about brand image of purchasing decisions, which are as many as 10 articles (47.6 percent of the total).

Table 2 Classification of the reviewed articles

Topics	
1. Marketing Mix	
1.1	Promotion and Price ((Hustić & Gregurec, 2015), (Graciola, Toni, Lima, & Milan, 2018), (Mulya Firdausy & Idawati, 2017), (Brata et al., 2017), (Pralina & Edwar, 2017), (Kuntner & Teichert, 2016), (Kivetz & Zheng, 2017), (Alfred, 2013), (Suprianto, Susanta, & Nurseto, 2014))
1.2	Marketing mix to brand image (Made et al., 2018)
2. Brand Image	
2.1	Brand Image (Foster, 2016), (Yasmin, 2017), (Jiani, 2017), (Anwar & Gulzar, 2011), (Lien et al., 2015), (He et al., 2013), (Aghekyan-Simonian et al., 2012), (Musay, 2013)

Conclusions

Based on the results of the literature review that promotion, price and brand image have a significant influence on purchasing decisions made by customers. Purchase decision is an effort made to determine the choice of a product by considering product suitability factors with needs, prices, desires, or advantages and disadvantages of a product. Therefore, the right marketing strategy is needed so that the company can fulfill its needs and needs so that consumers make purchasing decisions, if consumers make purchasing decisions, of course this will increase the company's income.

Next, brand image has a significant effect on purchasing decisions. The brand image of a product can be measured from the sales data made by the product, if product sales increase it will have an impact on its brand image. If the brand image of the product is good, the consumer will make a purchase of the product, of course the right marketing strategy is needed by the company in order to maintain the brand image of the product. The results of this review are just a conceptual starting point for starting an integrated discipline. It was realized that this literature study had several disadvantages, including the minimum number of publication provider websites used as data sources. In addition to the three websites used as data sources in this literature review, there are actually more websites that provide scientific publications. However, the website cannot be included because of the limited access that the author has. Thus further studies need to be improved on a broader literature source to gain an understanding of the implementation of concepts in more diverse case studies.

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