



The Influence of Brand Image and Product Quality on Consumer Purchase Decision (Case Study on Kopi Jago South Jakarta)

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Abstract. This study examines the effects of brand image and product quality on purchase decisions among Generation Z consumers of Kopi Jago in South Jakarta. A quantitative approach using Partial Least Squares Structural Equation Modeling (PLS-SEM) was employed with 100 Generation Z respondents who had previously purchased Kopi Jago products. Data were collected through an online questionnaire and analyzed using SmartPLS 3.2.9. The findings indicate that brand image does not significantly affect purchase decisions (T-statistic = 0.444; p-value = 0.657), whereas product quality has a positive and significant effect (T-statistic = 3.561; p-value < 0.001). The model explains 37.6% of the variance in purchase decisions ($R^2 = 0.376$). These results suggest that product quality is the dominant determinant of Generation Z purchasing behavior, while brand image plays a supportive but not decisive role. The study contributes to the understanding of consumer behavior in emerging lifestyle coffee brands and provides managerial implications for improving product-driven value propositions.

Keywords: Brand image, Product quality, Purchase decision, Generation Z, PLS-SEM.

1 Introduction

The global food and beverage (F&B) industry is undergoing rapid transformation, propelled by lifestyle shifts, rising disposable incomes, and digitalization especially among younger consumers. In Indonesia, the F&B sector emerged as a major engine of economic growth, contributing approximately 7.2 % of national GDP in the first half of 2024 and maintaining a year-on-year growth rate above 4 % through early 2025 [1]. F&B already accounted for nearly 40 % of Indonesia's non oil & gas manufacturing GDP, underscoring its importance as a policy and business priority.

Within this booming sector, the coffee industry has evolved from warung sachet sales to a café based lifestyle culture. A survey by [2] showed that 66 % of Generation Z in Indonesia consume coffee daily, many opting for fresh beverages in cafés as much for social engagement as for caffeine. Coffee has thus transcended its role as a mere

drink to become a vehicle of self-expression and community connection, especially for the digital-native Generation Z cohort [2].

Generation Z here defined as those born between 1997 and 2012 are reshaping consumer norms. Socially conscious, digitally immersed, and highly attuned to brand authenticity and experiences, this generation places greater value on brand personality, environmental alignment, and emotional connection than on traditional advertising. They tend to gravitate towards lifestyle brands that resonate with their identity and values not merely product attributes.

One emerging player in Indonesia's specialty coffee space is Kopi Jago, a café-on-wheels brand serving 100 % Arabica coffee via electric carts in South Jakarta. Despite its affordability and convenience, Kopi Jago has not (yet) made the Top Brand Index, indicating gaps in both brand awareness and consumer loyalty.

This paper investigates whether two key psychological variables brand image and product quality significantly influence Generation Z purchase decision for Kopi Jago. Drawing from Keller's brand association framework [3] and Garvin's multi-dimensional quality model [4], the study examines:

- whether brand image independently predicts purchase decision
- whether product quality independently predicts purchase decision
- and whether both factors jointly enhance explanatory power

Findings are expected to advance academic understanding of young consumer behavior in emerging markets and provide actionable guidance for local coffee entrepreneurs targeting Generation Z

In the Indonesian context, improvements in the national financial literacy index—from 49.68% in 2022 to 65.43% in 2024—indicate growing public awareness of financial issues ([5]; [6]). Despite this progress, disparities remain, particularly among young adults who are increasingly exposed to digital consumption, cashless transactions, and social media-driven spending pressures. The prevalence of FOMO (fear of missing out) behavior further intensifies impulsive purchasing tendencies among students [7], highlighting the importance of strengthening financial awareness and self-control during early adulthood.

Building on these conditions, this study investigates the influence of allowance, financial education, and financial literacy on the financial management behavior of accounting students in Banjarmasin. While previous studies have examined these factors independently, this research provides an integrated perspective by assessing their simultaneous and relative effects within a higher education context. By identifying the most influential determinant of students' financial behavior, this study offers empirical insights that extend existing research on student financial management and supports the development of targeted financial literacy initiatives within universities to foster responsible and resilient financial behavior among young adults.

2 Literature Review

2.1 Brand Image

Brand image refers to the consumer's perception and emotional association with a brand, shaped by marketing communication, product experience, and social influence. [8] define it as "the perception of a brand in the minds of consumers." A strong brand image fosters trust and differentiation, playing a strategic role in driving consumer preference and loyalty [8].

[9] categorizes brand image into elements such as brand personality, symbolic meaning, and perceived quality. Meanwhile, [3] emphasizes the importance of brand associations both functional and emotional in building a favorable brand image. In the context of Generation Z consumers, image-based values such as authenticity, uniqueness, and social responsibility often hold more weight than traditional advertising [10].

Empirical findings on brand image and purchasing behavior remain mixed. [11] found that brand image significantly influenced purchase intention for Frestea. However, Sjoraida, Firmansyah, and Marisa reported that brand image had a negative effect on smartphone purchase decisions among urban Generation Z consumers. These discrepancies suggest that brand image alone may not consistently predict behavior across product categories or generational segments.

2.2 Product Quality

Product quality is defined as the extent to which a product meets or exceeds customer expectations. [4] outlines eight dimensions of quality, including performance, features, reliability, conformance, durability, serviceability, aesthetics, and perceived quality. While some of these are technical, others such as aesthetics and perceived quality are psychological, particularly relevant for lifestyle products like coffee.

According to [12], in the experience economy, perceived quality is influenced not only by tangible product attributes but also by intangible factors such as brand reputation and user experience. For Generation Z consumers, elements like taste, visual presentation, packaging design, and ethical sourcing are vital in forming judgments of product quality.

2.3 Purchase Decision

Purchase decision refers to the cognitive and emotional process through which consumers evaluate options and commit to buying a product or service. [8] describe this process as involving five stages: problem recognition, information search, evaluation of alternatives, purchase, and post-purchase evaluation.

Generation Z's purchasing behavior is characterized by speed, peer influence, and digital dependency. This cohort often consults online reviews, influencer endorsements, and social media credibility before making a purchase decision [13].

Studies have shown that both brand image and product quality influence consumer decision-making, either individually or in combination. Meanwhile, [14] demonstrated

that product quality affects purchase decisions both directly and through the mediating role of customer satisfaction.

3 Research Methodology

This study adopts a quantitative approach to examine the influence of brand image and product quality on purchase decisions among Generation Z consumers of Kopi Jago in South Jakarta. The research is explanatory in nature, aiming to explain the relationship between independent and dependent variables using empirical data.

3.1 Population and Sample

The target population in this research comprises Generation Z individuals (born between 1997 and 2012) who have purchased and consumed Kopi Jago products in South Jakarta. The sampling technique employed was purposive sampling, based on criteria such as age (18–27 years old), geographic location (South Jakarta), and purchasing experience with the brand.

A total of 100 valid respondents participated in the study. This sample size is considered acceptable for Partial Least Squares Structural Equation Modeling (PLS-SEM) analysis, which allows for reliable parameter estimation with smaller samples when compared to covariance-based SEM, as explained by [15].

3.2 Research Instrument

Primary data were collected through a structured online questionnaire distributed using Google Forms. The instrument consists of three variable constructs:

- Brand Image (X_1): Measured using six indicators adapted from [9] and Keller (1993), including Brand recognition, Brand personality, Brand uniqueness, Social image, Perceived brand credibility, Emotional attachment.
- Product Quality (X_2): Measured using seven indicators based on [4] quality dimensions, including Taste quality, Product consistency, Aroma quality, Packaging design, Reliability of service, Aesthetic presentation, Perceived overall quality.
- Purchase Decision (Y): Measured using six indicators adapted from [8] and [16], such as Need fulfillment, Information evaluation, Brand preference, Purchase intention, Repurchase intention, Recommendation willingness.

All items were measured using a 5-point Likert scale ranging from 1 (“Strongly Disagree”) to 5 (“Strongly Agree”).

3.3 Data Analysis Method

Data were processed and analyzed using SmartPLS version 3.2.9, following the PLS-SEM procedure. This method was chosen due to its ability to handle complex models, small-to-moderate sample sizes, and data that may not meet the assumptions of normality [15].

The analysis consisted of two main stages:

- Evaluation of the Measurement Model (Outer Model): To assess convergent validity, discriminant validity, and construct reliability using indicators such as loading factor (>0.7), AVE (>0.5), and Cronbach's Alpha (>0.7) [17].
- Evaluation of the Structural Model (Inner Model): To test the hypotheses, assess R^2 values, and evaluate path coefficients and effect sizes (f^2). Hypothesis testing was conducted using bootstrapping with 5,000 subsamples to derive T-statistics and P value, where significance is established at $p < 0.05$ [17].

The use of SmartPLS allows for flexible model estimation and is suitable for predictive studies in consumer behavior research.

4 Result and Discussion

4.1 Results

This section presents the analysis results and interpretation based on data collected from 100 Generation Z respondents who had purchased Kopi Jago products in South Jakarta. The data were analyzed using SmartPLS software in two stages: measurement model evaluation and structural model evaluation.

4.1.1 Measurement Model (Outer Model)

The outer model was evaluated to ensure the validity and reliability of the constructs.

a. Convergent Validity and Reliability

Convergent validity is established when the outer loading of all indicators exceeds 0.70 and the Average Variance Extracted (AVE) exceeds 0.50 (Hair et al., 2017). Table 1 shows that all indicators meet these thresholds, suggesting strong convergent validity.

Table 1. Convergent validity (loading factor and AVE)

Construct	Indicator	Loading	AVE
Brand Image	X1.1–X1.6	>0.70	>0.50
Product Quality	X2.1–X2.7	>0.70	>0.50
Purchase Decision	Y1–Y6	>0.70	>0.50

Internal consistency reliability was tested using Cronbach's Alpha and Composite Reliability, with all values exceeding 0.70, indicating good reliability [17].

b. Discriminant Validity

Discriminant validity was evaluated using the Fornell-Larcker criterion, which showed that the square root of each construct's AVE was higher than the correlation with other constructs. This indicates good discriminant validity [15].

4.1.2 Structural Model (Inner Model)

a. Coefficient of Determination (R^2)

The R^2 value for purchase decision is 0.376, meaning that 37.6% of the variance

in Generation Z’s purchase decision is explained by brand image and product quality.

b. Hypothesis Testing (Bootstrapping)

Table 2. Path Coefficient and Hypothesis Testing

Hypothesis	Path Coefficient	T-Statistics	P-Values	Result
H1: Brand Image → Purchase Decision	0.062	0.444	0.657	Not Significant
H2: Product Quality → Purchase Decision	0.501	3.561	0.000	Significant

4.2 Discussion

This study set out to examine the influence of brand image and product quality on purchase decisions among Generation Z consumers of Kopi Jago in South Jakarta. Using PLS-SEM analysis, the results indicate a non-significant relationship between brand image and purchase decision, and a positive, significant relationship between product quality and purchase decision. These findings reveal important insights into consumer behavior in the context of an emerging lifestyle coffee brand and highlight nuances that may challenge some assumptions in the existing literature.

4.2.1 Brand Image and Purchase Decision

Contrary to several prior studies such as those by [11], this study finds that brand image does not significantly affect Generation Z purchase decisions in the context of Kopi Jago. While traditional branding literature, including [9] and [3], suggests that a strong brand image is crucial for consumer preference and loyalty, these results suggest that younger consumers may not prioritize image-based attributes when evaluating utilitarian, everyday purchases such as coffee.

A possible explanation lies in the evolving behavior of Generation Z. Unlike earlier cohorts, this generation is often more skeptical of overt branding, and values authenticity, functionality, and quality over perception. This result is also in line with findings by [18], which show that brand image can be insignificant or even negative depending on the category and context. In the case of Kopi Jago, being a relatively new brand with limited presence in national brand rankings such as the Top Brand Index, the strength of its image may not yet be sufficient to influence decision-making.

4.2.2 Product Quality and Purchase Decision

The finding that product quality significantly and positively influences purchase decisions is consistent with broader marketing literature. Studies by [20], [19], and [21], confirm that product quality remains a dominant factor influencing consumer choice, especially in low-involvement products such as coffee. In particular, the dimensions

proposed by [4]—including performance, aesthetics, conformance, and perceived quality—align well with the expectations of Generation Z coffee consumers.

In this context, respondents placed high value on taste, visual presentation, consistency, and affordability, all of which reflect perceived product quality. This supports the notion that product-centric attributes continue to dominate decision-making for high-frequency purchases, particularly in convenience-oriented urban settings.

Kopi Jago's unique positioning—such as mobile electric carts, rapid service, and digital ordering—may resonate with Generation Z's lifestyle. However, the actual consumption experience, especially the sensory and service quality of the coffee itself, remains the key determinant of satisfaction and repurchase behavior.

Conclusion

This study aimed to examine the effect of brand image and product quality on purchase decisions among Generation Z consumers of Kopi Jago in South Jakarta. The results of the analysis using Partial Least Squares Structural Equation Modeling (PLS-SEM) provide several important conclusions.

Brand image was found to have no significant effect on the purchase decisions of Generation Z consumers. This suggests that in the context of a developing brand like Kopi Jago, symbolic attributes and brand perception do not yet exert strong influence on consumer choice, especially among younger, value-conscious customers [18].

In contrast, product quality demonstrated a significant and positive influence on purchasing decisions. This reinforces findings in prior [20], [19], and [21] and confirms that Generation Z consumers prioritize intrinsic attributes such as taste, consistency, and packaging aesthetics over brand recognition when selecting coffee products.

The combined explanatory power of brand image and product quality accounts for 37.6% of the variance in purchase decisions. This indicates that other variables—such as price, convenience, peer recommendations, or social media engagement—may also contribute significantly to consumer decision-making.

These insights align with recent literature on post-materialist values among Generation Z where authenticity, accessibility, and real-world product experience outweigh aspirational branding.

Disclosure of Interests. The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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