CHAPTER I

INTRODUCTION

1.1. Background

In this modern era, the global market has various products from primary to secondary needs. The competition in the business world is quite tight. It shows those convincing consumers is not only about the product's appearance. However, messages bound in the product can also influence consumers to buy a product. Therefore, the company must understand purchasing decisions to meet consumer interests and needs.

Along with the phenomena of world fashion trend has begun to enter the Indonesian industry. Indonesians have long known the fashion industry, from local to foreign brands. The Indonesian people are receiving various world fashion trends currently being discussed in lifestyles until the creativity of people who have begun to realize the value of fashion, which is not only about dressing but also about stylish and trendy. Not infrequently, the fashion chosen by someone will describe how the lifestyle to the principles and beliefs adhered to by that person. Fashion and lifestyle also can influence a person to determine attitudes and values that indicate social status. On that basis, many foreign brands have started to enter the Indonesian market.

In Indonesia there are many companies that engaged on fashion Industry from local and international company. One of the fashion brands that quite well known among the public, is H&M. Retrieved from the official History-H&M

Group website H&M Group, (2021) (Hennes & Mauritz AB) is a multinational fashion and cosmetics company founded by Erling Persson in 1947, which was initially based in Stockholm, Sweden. The official owner of H&M is Stefan Persson, and he is assisted by the CEO of the H&M company, Karl-John Persson. At first, Erling Persson sold Women's ctlothing under the Hennes trademark, but in 1968, Erling Persson acquired a shop owned by Mauritz Widforss, selling clothing for fishing and hunting. After several considerations, Erling Persson changed the brand name to H&M (Hennes & Mauritz AB). H&M entered the Indonesian market in 2013 and faced a direct competitor, namely the Japanese brand UNIQLO which was ranked 7th, as shown in the table below:

World Fashion Brand Ranking

Table 1.1 World Fashion Brand Ranking

No	Brand	Logo	Country
1.	Nike		USA
2.	Gucci		Italy
3.	Louis vuitton	LOUIS VUITTON	French
4.	Adidas	adidas	german
5.	Chanel	CHANEL	French
6.	ZARA	ZARA	Spanyol
7.	UNIQLO	UNI QLO	Japan
8.	H&M	H&M	sweden

No	Brand	Logo	Country
9.	Cartier	*Cartier*	French
10.	Hermès	HERMÈS PARIS	French

Source : Dharma (2023)

As explained in table 1.1 H&M is still in 8th place from several other international brands that have entered the Indonesian market. quoted from Bisnis.com, Jakarta, this Swedish fashion retail company is closing several of its stores in the estimated 2020 to 2021. H&M Chief Financial Officer Adam Karlsson said store closures could reach 350 units by opening 100 new outlets through out 2020. The difference between new and H&M closed stores is more than 58 stores. It is due to the management's inability to manage and convert the stock of goods into income properly. Many products are not sold to consumers even though H&M has tried to give a price cut to the remaining stock of products from several collections that have yet to sell last season.
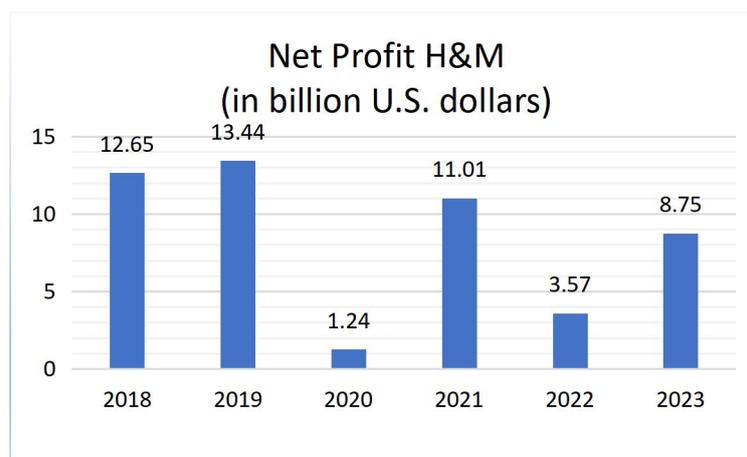

Figure 1.1 Net Profit H&M
Source: Google Finance

In Figure 1.1, H&M experienced a decrease in revenue in 2020 due to several factors, one of which was the COVID-19 pandemic which affected the total net income that H&M would receive. However, H&M experienced an increase in revenue in 2021 and 2023 which was still below 2018-2019 and finally decreased again to reach more than 50% of its revenue in 2022.

It is a severe problem for H&M as one of the world's top brands. With the development of the times, business innovation is growing, which results in more and more new fashion brands emerging. Slowly H&M began to be eliminated. Despite all that, H&M always tries to provide innovation and creative marketing ideas and develop the quality of its products to increase purchasing decisions of its consumers.

From BBC News (2024) H&M's latest advertising campaign, widely perceived as sexualizing school uniforms, has ignited a significant ethical debate within the fashion industry and the public. The advertisement, featuring models in poses considered inappropriate, has raised concerns about the potential of school uniforms, traditionally symbols of education, professionalism, and decency, being objectified. This situation underscores an urgent and pressing ethical dilemma in marketing, where the boundary between creativity and social responsibility is often blurred. The profound impact of media and advertising on shaping social norms and behaviors, particularly among children and teenagers in identity formation, is a matter of immediate ethical consideration.

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Figure 1.2 H&M Controversial Advertisement
Sources : https://id.hm.com/

The criticism has come from parents, educational activists, and social media users who are actively expressing dissatisfaction. Many argue that the advertisement potentially undermines educational values and reinforces harmful gender stereotypes. Educational activists highlight that such representations can negatively impact children's self-perception and societal roles. The widespread protests on various digital platforms demonstrate that consumers are increasingly sensitive to social and ethical issues related to the brands they support. This underscores that H&M's advertisement is not merely a matter of representation in fashion but also emphasizes the importance of corporate social responsibility in marketing. Social responsibility in marketing refers to the ethical considerations

and actions a brand takes to ensure its marketing efforts do not harm society or its members (CNN, 2024).

The impact of this controversy on H&M's brand image is substantial. Brand image, which refers to the collective perception of consumers toward a brand, can be adversely affected when a brand fails to reflect the social values expected by society. H&M's brand image, which combines its reputation, identity, and values, is at risk due to this controversy. For instance, younger consumers tend to shop from brands that demonstrate concern for social and environmental issues. When H&M fails to meet these expectations, it risks losing a significant market segment.

Consumer purchasing decisions are heavily influenced by brand image. When consumers feel that a brand does not align with their values, they may choose not to purchase products from that brand. Therefore, controversial advertisements can lead to declines in sales and customer loyalty. In H&M's case, the potential loss of consumer trust is a serious concern that can have far-reaching consequences, from decreased sales to loss of market share. With rising social awareness among consumers, brands that are unresponsive to social criticism may be under increasing pressure to retain customers

Moreover, the long-term effects of a negative brand image can influence H&M's marketing and communication strategies in the future. The brand must respond promptly and decisively with tangible and practical actions to restore its image. Failure to do so may lead to even more significant challenges in regaining consumer interest, particularly among the increasingly critical younger generation.

Research shows that younger consumers are more likely to purchase from brands with a positive image and are committed to social responsibility (Viva, 2024). In this context, H&M needs to formulate strategies that address the current issues and build a strong and responsible brand image for the future.

This issue opens the opportunity to explore further how the fashion industry can adapt to consumer expectations and social responsibilities. This research aims to analyze H&M's response to this controversy, evaluate its impact on brand image and consumer purchasing decisions, and more inclusive and ethical marketing strategies moving forward.

H&M penetrates all walks of life, from women and men to children, according to Kusuma et al. (2022). In order to meet consumer expectations and needs, every company must strive to form a competitive advantage to survive and, at the same time, be able to win the competition by using similar products owned by competitors. H&M's offline store is widespread in almost all corners of the world. According to H&M official Website, H&M has also built stores in 43 countries. The number of employees in 2011 reached around 94,000 people. At the end of 2011, they had 2,325 stores; in August 2012, they had 2,629. H&M started its expansion in Indonesia and opened its first store in October 2013. Before that, some Indonesians were willing to go to neighboring countries to find H&M products.

From data reported through the official H&M Indonesia website, In Indonesia H&M established approximately 62 branches spread across in several

provinces in Indonesia, one of which is in the province of Central Java, precisely in the cities of Semarang and Solo, In Semarang H&M has opened several offline stores, one on the 1st floor of DP mall Semarang. H&M at DP mall was the first H&M in Semarang and was followed by several other malls in the city. The mall is considered to be a place where many people choose to look for daily needs, such as clothing, footwear, and even basic daily food needs can also be found in the mall. D.P. Mall Semarang stands out among other shopping centers in the city due to its unique features. Its strategic location in the city center, close to essential icons such as Lawang Sewu and Tawang Station, makes it easily accessible for tourists and locals. The mall offers a comfortable shopping atmosphere with a blend of modern architecture and neat layout, and a variety of tenants that provide quality products from local and international brands. What sets D.P. Mall apart is its various recreational facilities, such as a movie theater and a game area, which add to the overall shopping experience and make it a preferred destination for visitors. (Grewal et al., 2017)

H&M focuses on innovative and creative customers. Like other fashion retail businesses, H&M also tries to provide the best effort to improve the quality of products and services to provide shopping comfort for its consumers. The business concept of H&M itself is quality fashion at the best price based on every individual, including people's beliefs. Many companies are starting innovate to attract as many purchasing decisions as consumers. In improving purchasing decisions, the company applies various strategies, such as offering the advantages of its products to compete. Competitive advantage is primarily determined by its

ability to provide a higher sense of satisfaction than competing companies. In general, foreign products are more successful in offering consumers a competitive advantage, in terms of quality and style, to a more diverse selection of types.

The development of marketing techniques today requires business people to focus more on things that influence consumer decisions in making purchasing decisions. The purchase decision is an action where consumers go through several stages of consideration through the information obtained, which results in buying an item. According to Kotler (2008) consumers have several stages before purchasing. The stages influencing purchasing decisions are problem recognition, information search, evaluation of alternatives, and then purchase decisions, and the last is post-purchase behavior. The consumer feels a sense of belonging, which can be based on a need or desire, then enters the information search stage. At this stage, consumers begin to search for and collect information about the goods needed or sought from several aspects of support to compare several products to get alternative products that best meet the needs and interests of consumers here. Consumers have started to enter the alternative evaluation stage to support purchasing decisions that end up buying or not buying the product. If the result of the purchase decision is to buy the product, the consumer will enter the post-purchase behavior stage. At this stage, consumers begin to be able to assess or feel the benefits of the product, whether it is following the interests and needs of consumers, which is the main factor that will influence consumers to make decisions to repurchase or not. Purchase decisions also involve perceptions of product quality, value, and price. Consumers not only use price as an indicator of

the quality of a product but also as an indicator of the costs incurred in exchange for the model or benefits of the product. Therefore, it can be seen to what extent the price can affect the consumer's assessment of the product's brand image.

It is common for consumers to look more at the brand image of a product to be associated with the price and quality of the product. Companies make various efforts to maintain and even improve the brand image, such as carrying out several innovations to increase the advantages of the products offered and price-fixing, which is quite competitive with other competitors, and promotional ideas that are always innovative to be right on the target market. The better the brand image of a product, the higher the probability of making a purchase decision by consumers. Tjiptono (2014) states that brand image describes associations and consumer beliefs about specific brands. *Brand image* is consumers' observations and beliefs, as reflected in consumers' memories. Brand image can be directly related to attitudes in the form of beliefs and preferences toward a brand. Consumers with a positive brand image will be more likely to purchase the product.

It is not the first time this has happened, and the Swedish company has been criticized for its insensitivity to race and ethnicity. In 2015, H&M protested for not using black models for sales in South Africa. When asked about the lack of diversity, they said white models showed more positive results. Previously, in 2013 H&M pulled the feathered headdress from its store. A Canadian customer complained that the accessories looked like they were making fun of formal Canadian wear. However, after that, H&M tried to make changes to improve the

brand image in front of its consumers. One of them, as reported by the USA Today news page on Wednesday (24/1/18), after being hit by the case of the racist photo, the H&M fashion brand presented a new position in their company, Diversity Leader. It was announced through a post on the official H&M account.

Before a consumer makes a purchase decision, they will go through the stage of gathering information on a product that will be an initiative product. The price can be on the list of considerations to determine purchasing decisions. As described in Figure 1.5 of the survey results, "Katadata.co.id."
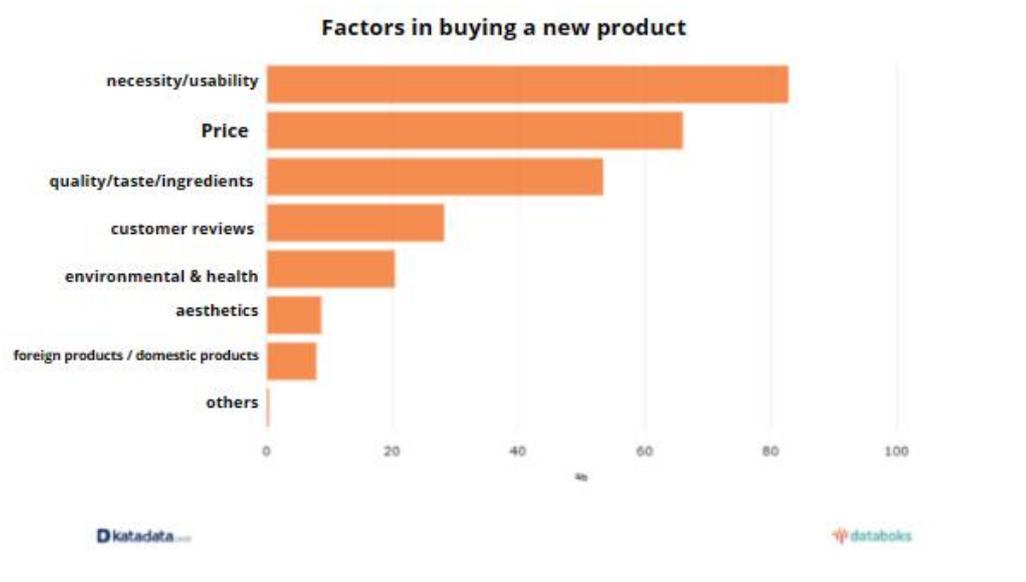
Figure 1.3 Factors in Product Purchase Decisions
Source: https://databoks.katadata.co.id

As stated in figure 1.5, as many as 82.7% of consumers stated that the main factor in purchasing new products was a need or use, then 66% of consumers stated price as a material consideration for making a purchase decision, not only that, consumer reviews also received 30% of the votes to be one of the consumer factors in making purchasing decisions. From the results of the survey above,

price is one of several factors that are high enough to be taken into consideration by consumers in making purchasing decisions. According to Tjiptono (2008) the price has a significant role in the decision-making process of buyers, including the role of price allocation and the role of information. Price is also an indicator seen directly by consumers, in addition to other factors that consumers require to have the product if they want to feel it.

With the different characteristics possessed by H&M consumers, H&M always offers various types of fashion that follow the latest trends in each season. H&M provides a variety of clothes according to the seasons in the world, making it easier for consumers to meet their needs for clothes that are suitable for the changing seasons. H&M is also inseparable from monthly promos that have attracted much consumer interest, especially from students who want to have the best quality clothes or other fashion needs at affordable prices. H&M offers product prices that are almost under the quality obtained by consumers, but only some think that H&M is a brand intended for people with middle and upper financial levels. The price offered by H&M in the market is more than Rp. 200,000. Some consumers feel that the price of products from H&M can be categorized as quite expensive, as consumers say through reviews from the Google maps web as follows:

Figure 1.4 Consumer Reviews

Source : Google Review

Figure 1.5 Consumer Reviews

Source : Google Review

From figure 1.7 of My Strory Lady Grab, "I think the price is draining the pocket," it means that she feels the price of the products sold in H&M store is quite expensive. According to Kotler (2005) price is a factor in marketing a concise mix to regulate the features of a product.Quoted from Silvia (2021), reviews provide consumer perceptions of the product. Positive reviews encourage the formation of purchasing decisions, while negative reviews give consumers a bad perception of the product. Consumer reviews are outputs that are felt directly by consumers. consumer Reviews can encourage other consumers to make

purchasing decisions or not. There are around 1,100 consumer reviews on Greview H&M DP Mall Semarang, not a few of which give bad reviews, as shown in Figures

Price is also a means of communicating to consumers about the value placement of a brand or product. The price of a product is a measure of the value of consumer satisfaction with the value or benefits of an item. Consumers will pay for an item that is quite expensive if the quality and use are under the costs incurred and can also meet customer satisfaction. On the other hand, if consumers feel that the product will not fulfill their needs or satisfaction, they will not be willing to pay for the product at a high price.

However, that does not reduce consumer interest in shopping for fashion needs at H&M. even though local brands now have many innovations in the fashion field, it is not uncommon for local products to charge higher prices than foreign products such as H&M, so with same quality, consumers prefer to shop for their fashion needs on foreign products. It is data from a survey of consumer perceptions regarding the prices of foreign products and local products:
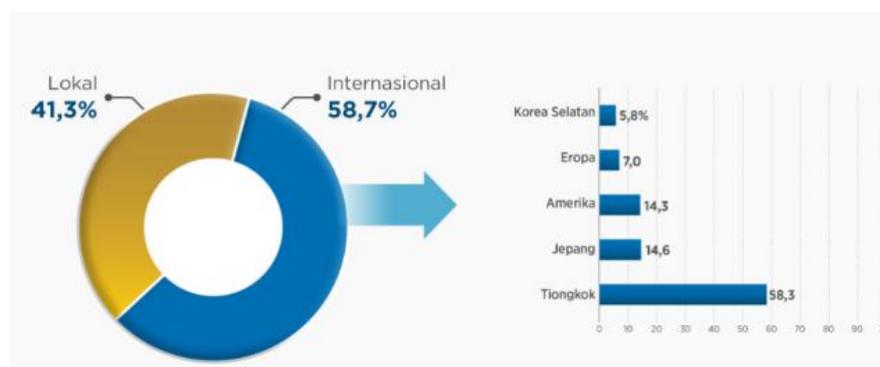

Figure 1.6 survey consumer perception of product prices
Source: https://katadata.co.id

Chinese products are the most superior in price, even compared to local products. Nearly 60% of respondents rate the price of Chinese products as the cheapest compared to products from other countries. Blocking the Chinese market can have a massive impact on businesses and even incur significant losses. According to World Bank data, China's economy has grown by an average of 10% since 1978. Since then, some 800 million people have crossed the poverty line. China's extraordinary growth has attracted investors even during the pandemic. Xinhua reported that foreign direct investment (FDI) in mainland China increased 31.5% (year-on-year) to 17.676 billion yuan ($27.17 billion) in February 2021.It is what underlies the dependence of the world's economy on China. China's contribution to global exports has also soared. It was considering the importance of the Chinese market,

It is what underlies the dependence of the world's economy on China. China's contribution to global exports has also soared. It was considering the importance of the Chinese market, Some parties acknowledge the importance of China's economic position in the eyes of the world. However, consumers also demand that global corporations carry out ethical business practices and pay more attention to human and workers' rights.

Based on the explanation above, there are research gaps which include the following: Rosanti et al. (2021) with the tittle "The Effects of Brand Image and Product Quality on Purchase Decisions", that research explains that brand image has been proven to have a significant effect on purchasing decisions, but there are

different results in Waluya et al. (2019) research with the tittle "How product quality, brand image, and customer satisfaction affect the purchase decisions of Indonesian automotive customers" the research explain that the brand image partially does not have a significant effect on purchasing decisions.

According to Irfan & Rachmawati (2018) research with the tittle "the influence of brand image and product price towards purchase decision on xiaomi smartphone in Indonesia", it is known that price can influence purchasing decisions, but Ilmi Listighfaroh (2020) research has the opposite conclusion, which indicates that price does not affect purchasing decisions.

Based on the description above, the researcher intends to conduct research entitled **"The Influence of Brand Image and Product Price on Purchase Decision of H&M Product (Study on consumers H&M store at DP mall Semarang)."**

1.2. Problem Formulation

Various factors determine the success of a fashion brand. One of them is the brand image. Every company will try to maintain its brand image well. With more and more people who care about the issue of diversity, the racism case that happened to H&M in 2018 will undoubtedly be dangerous for the brand image of H&M itself. Not only that, but H&M also experienced another case with China, which has substantial enough control over the sustainability of the world economy. It certainly has a significant impact on consumer purchasing decisions in China. Each company has an ultimate goal: constantly increasing its sales.

That was reported from the Tirto. Id page, H&M reported a loss before tax in the first quarter period, which lasted from December to February, of 1.39 billion kronor or 159 million dollars. In the same period the previous year, H&M could still make a profit of up to 2.5 billion kronor. This figure does not consider the impact of the Chinese consumer boycott.

The above problems can affect the brand image of H&M and lead to consumer purchasing decisions for H&M products, therefore Based on the background that the researcher has described, several problem formulations can be drawn as follows:

1. does the brand image influence purchasing decision of H&M products?

2. does the price of the product influence the purchasing decision of H&M products?

3. does the product prices and brand image influence purchasing decisions of H&M products?

1.3. Research Objectives

The purpose of the research is to obtain an overview of The Influence Of Brand Image and Product Price On Purchase Decision Of H&M products (Study On consumers H&M store at DP mall Semarang) so that when described, the objectives of the research are to:

1. Analyzing the influence of brand image on purchasing decision of H&M product

2. Analyzing the influence of price of the product on purchase decision of H&M product

3. Analyzing the influence of brand image and price of the product on purchase decision of H&M product

1.4. Research Purposes

This research is expected to be useful for several things, including:

1.4.1. For Academics

The results of this study are expected to be used as a reference for further research to add insight, knowledge, and understanding of consumer behavior regarding purchasing decisions related to brand image.

1.4.2. For Researchers

After doing this research, it is hoped that researchers can gain insight, knowledge, and understanding directly in the field of buying interest in consumers that can be used to manage a good and proper business, and also as a means of researchers in applying theories that can be studied in college more realistically.

1.4.3. For Companies (H&M)

This research is expected to be an evaluation material for companies to improve sales performance by carrying out some innovations, or the company can take several policies to improve service quality and product marketing to compete with other brands. Moreover, this research is also expected to be used as a benchmark to determine the marketing strategy of the products provided.

1.4.4. For Other Parties

The results of this research are expected to provide information and additional thoughts or ideas for other similar studies and for several related parties who need to determine policies or decisions related to the results of these studies.

1.5. Theoretical Framework

The theoretical framework contains an explanation of theories that are related and in accordance with the problem and research objectives as well as being the basic material or foundation in examining problems. The theory used in this study is loaded from studies of experts.

1.5.1. Consumer Behavior

According to Kotler (2008) consumer behavior is the study of how individuals, groups, and organizations choose, buy, use and place goods, services, ideas, or experiences to satisfy their wants and needs. The behavior of consumers dramatically influences the success or failure of selling a product in the market.

Consumer behavior can also be referred to as the process or activity of a person related to the search, selection, purchase, use, and evaluation of products and services to meet needs and wants. Consumer behavior is also the thing that underlies consumers in making purchasing decisions.

Understanding consumer behavior is not easy; there are many underlying and interrelated factors to influence, so the marketing approach must be designed to understand the market system that is being faced; according to Kotler, (2008), marketers can look at consumer purchases in real life to find out what, where, and

how much they buy. Kotler (2008) developed the stimuli-response theory into a model of consumer behavior, as shown in the Figure below:

External / Marketing Stimuli		Black Box Purchase		Buyer's Responses
marketing	Environment	Characteristics of Purchasing	Purchase decision process	- Product Choice - Brand Choice - Dealer Choice - Purchase Timing - Purchase Amount
- Products. - Price - Place -Promotion	- Economy Technology - Politics - Culture	- Culture - Social - Individual - Psychological	- Issue - Search - Information - Evaluation - Purchase Decision - Post-Purchase Behavior	

Figure 1.7 Consumer Behavior Model According to Kotler and Keller
Source: Kotler (2008)

Based on the table above, the problem is how consumers respond to various marketing stimuli the company arranges. External stimuli consisting of marketing which includes product, price, place, promotion, and the environment, which includes economics, technology, politics, and culture, pass through the black box of the buyer containing two components, namely: Buyer characteristics significantly influence how a buyer reacts to the stimulus. The buying decision process influences the outcome of the decision Kotler (2008).

1.5.2. Purchase Decision

a. Definition of Purchase Decision

Purchase decisions are crucial for companies as producers and need further attention. Purchase decisions appear to be characterized less by the logical

weighing of variables and more as a largely unconscious habitual process, as distinct from the rational, conscious, information-processing model of economists and traditional marketing textbooks Yoon (2009). Armstrong (2008) write that the definition of a purchasing decision is the stage or decision process where consumers purchase a product or service. Business people must be able to look further into the factors that can influence purchasing decisions and develop an understanding of how consumers make purchasing decisions. There are five roles of consumers in making purchasing decisions:

1. The originator: the person who first has the idea or thought about buying a product or service

2. Influencers: people who can influence other consumers through their views or suggestions

3. Decision Makers: people who make decisions in every aspect of the buying decision, such as whether to buy or not to buy, how to buy, and where to buy.

4. Buyer: The person who makes the purchase

5. Users: people who consume or use the benefits of a particular product or service

In Tjiptono (2008) there are often more than two parties to the exchange or purchase process in consumer purchasing decisions.

b. Purchase Decision Process

Kotler and Keller (2016) marketing scholars have developed a "five-stage model" of the buying decision process, namely: Problem Definition, Information

Search, Alternative Evaluation, Purchase Decision and Post-Purchase Behavior. The process are described as follow :

1. Problem Definition

The buying process starts when the buyer recognizes a problem or need triggered by internal or external stimuli. Marketers need to identify the circumstances that trigger a particular need by gathering information from a number of consumers. They can then develop marketing strategies that spark consumer interest.

2. Information Search

The stage of decision making by consumers who are engaged in seeking additional information or perhaps simply increasing attention and information actively. Consumer seeks information from several sources such as Family, friends, Advertising, Web sites, and Mass media. The company need to identify the other brands in the consumer's choice set to create appropriate competitive appeals. Marketers should identify the consumer's information sources and evaluate their relative importance.

3. Alternative Evaluation

At this stage, consumers begin to evaluate alternative products using the information obtained to evaluate alternative products. Some basic concepts use to understand consumer evaluation processes: First, the consumer is trying to satisfy a need. Second, the consumer is looking for certain benefits from the product solution. Third, the consumer sees each product as a bundle of attributes with varying abilities to deliver the benefits.

4. Purchase Decision

The stage of the buying decision process where the consumer buys the product. In the evaluation stage, the consumer forms preferences among the brands in the choice set and may also form an intention to buy the most preferred brand. In executing a purchase intention. In general, consumers' purchasing decisions buy the most preferred brand, but there are two factors between buying habits and purchasing decisions. The first factor is the attitude of others, and the second factor is the unexpected situation factor. Consumers can form buying trends based on expected income, price, and expected utility of the product. However, the unexpected situation of can changes the buying tendency.

5. Post Purchase Behavior

Post-purchase Behavior Stages of the Purchase Decision Process Consumers take additional actions after purchasing based on their satisfaction or dissatisfaction. Marketing does not end with buying a product. After buying a product, consumers feel satisfied or dissatisfied and enter into buying behavior that is important to marketers. A satisfied consumer is more likely to purchase the productagain and will also tend to say good things about the brand to others. Dissatisfied consumers may abandon or return the product.

The dimensions of a purchasing decision, according to Tjiptono (2014) are as follows:

1. Product Choice

Consumers can make purchasing decisions on a product. In this case, the company must be more centered on paying attention to the interests and considerations of consumers in choosing products.

2. Brand Choice

The brand is also a consideration for consumers before making purchasing decisions. In this case, the company must understand how to choose a brand to make purchasing decisions.

3. Choice of dealer

Each consumer has different considerations in choosing a dealer, such as a closer location, lower prices, and a complete supply of goods.

4. Time and Amount of purchase

Some buy every day, once a week, once every two weeks, three once a week, or once a month. With the number of purchases, consumers can decide how many products to buy at a time. Purchases made may be more than one. In this case, the company must prepare the number of products according to the different wishes of the buyers.

5. Payment Method

Buyers can make decisions about the payment method used in consumer decisions to use goods and services. In this case, purchasing decisions are also influenced by the technology used in purchasing transactions.

1.5.3. Brand image

a. Definition Of Brand Image

According to Kotler (2008) brand image is what consumers think and feel when they hear or see the name of a brand. A quality brand not only gives a name to a product but also carries a message that the company wants to convey. A good brand image is needed to attract more purchasing decisions and consumer loyalty to the brand.

From Supranto & Limakrisna (2007) brand image is what consumers feel and think. Consumers hear or see a brand or whatever consumers have learned about the brand. Company image or store image only applies to company image and store image, not for some goods.

According to Kotler and Keller (2008) a brand is a complex symbol that can convey up to six levels of understanding as follows:

1. Attributes: A brand can remind specific attributes

2. Benefits and Emotional: The existing attributes must be translated into a benefit and emotional

3. Value: A brand can convey or convey something about the producer

4. Culture: A brand can describe a particular culture

5. Personality: A brand can reflect a personality

6. Usage: A brand can imply the type of consumer who buys or uses a product

From some of the definitions above, it is known that brand image is some point of view from the consumers into the brand through the knowledge that consumers know about it.

b. Factors To Build Brand Image

According to Keller (2016) several factors build the brand image, namely:

1. Brand Identity: it can also be called a physical identity of a brand or product that makes it easier for consumers to know and recognize a brand or product that can differentiate it from other brands, for example, logo shapes, colors, packaging shapes, slogans, locations, the identity of the company and other things

2. Brand Personality: this is the distinctive character of a brand that describes a specific personality of a brand or product like humans, which aims to make it easier for consumers to distinguish from other brands or products that have the same category, for example friendly, kind, firm, rigid, authoritative, dynamic or creative and others

3. Brand Association: This topic deserves or is always associated with a brand. It can be based on unique product marketing techniques, consistent activities, issues firmly attached to a brand or person, a symbol, and specific meanings. It was strongly associated with a brand.

4. Brand Attitude and Behavior: is the attitude and behavior of interaction and communication of a brand to offer and introduce the advantages and disadvantages of a product to consumers. Attitude and behavior include the attributes used to bring the brand's values in front of consumers to the behavior of employees and owners of the brands.

5. Brand Benefit and Competence: these are the distinctive values and advantages that a brand brings to consumers, which aim to

make customers feel the benefits and values of something brought by the brand because of the fulfillment of wants, needs, dreams, and even consumer obsession.

1.5.4. Price

a. Definition Of Price

According to Kotler (2005) price is a factor in marketing a concise mix to regulate the features of a product. Price is also a means of communicating to consumers about the value placement of a brand or product. The price of a product is a measure of the value of consumer satisfaction with the value or benefits of an item. Consumers will pay for an item that is quite expensive if the quality and use are under the costs incurred and can also meet customer satisfaction. On the other hand, if consumers feel that the product will not fulfill their needs or satisfaction, they will not be willing to pay for the product at a high price.

According to Armstrong (2008) price is the amount of money charged for a product or service. Price is also an element of the marketing mix that aims to generate revenue, followed by other elements representing costs. Prices are flexible or can change at any time sooner or later.

b. The Purpose Of Setting A Price

According to Tjiptono (2008) several things are the purpose of setting a price for a product:

1. Profit-oriented: in this case, it includes two things, namely profit maximization and profit targets. Profit maximization states that the company tries to set a price that can produce the maximum possible profit for a product. At the same time, the profit target is a level of profit under the company's initial planning objectives.

2. Price Stabilization Objectives: stabilizing prices is very important to maintain consumer loyalty, support consumer repurchase decisions, and maintain price stability between a company and the price of industry leaders. Stabilizing prices can also prevent competitors from entering.

3. Volume-Oriented Goals: the price set aims to achieve sales volume targets and sales value.

4. Image-Oriented Goals: A brand's image can be formed through a pricing strategy. A brand can charge a high price for its products to form a classy image. Meanwhile, the company can set a low price that can be used to form a brand image that is affordable for all circles and specific other images.

According to Armstrong (2015) the dimensions of price formation are as follows:

1. Price Affordability

   The affordability of prices by consumers at prices that the company has set. Every product in the brand must be there, from the cheapest to

the most expensive. The price is what consumers set in product selection.

2. Equality of price with product quality

   Price is often used as an indicator of the quality of a product. Consumers often choose products with higher prices in the hope of getting better product quality.

3. Price match with benefits

   Consumers often use the benefits of a product in making purchasing decisions. Consumers decide to buy a product if the perceived benefits are greater than or equal to what has been spent to get it.

4. Price according to ability or price competitiveness

   Consumers often compare the price of a product with other products. In this case, the price of a product is highly considered by consumers when buying the product.

1.5.5. Relationship Between Variables

1.5.5.1. Relationship Between Brand Image and Purchase Decision

The purchase decision is an evaluation stage for consumers before buying a product. Consumers can arrange several brands in a set and form a purchase value. Usually, consumers choose a preferred or trusted brand in purchasing decisions, but there are still other supporting factors such as price and several other factors. Consumer purchasing decisions often have more than two parties in the exchange or purchase process. People who have a good perception of an item will also influence purchasing decisions for the item.

From Supranto & Limakrisna (2007) brand image is what consumers feel and think. Consumers hear or see a brand or whatever consumers have learned about the brand. Company image or store image only applies to company image and store image, not for some goods. A good brand image of a product will also give a good perception of someone. So a good brand image for H&M will also affect consumer purchasing decisions for H&M products.

1.5.5.2. Relationship Between product Price and Purchase Decision

According to Kotler (2005) price is a factor in marketing a concise mix to regulate the features of a product. The purchase decision is the stage where consumers consider several aspects of a product, including the price.

Price is also a means to communicate to consumers about the value placement of a brand or product. The product's price is a measure of the value of consumer satisfaction with the value or benefits of an item. Consumers will make purchasing decisions and pay for an item that is quite expensive if the quality and usability are below the costs incurred and can also meet consumer satisfaction. Conversely, if consumers feel that the product will not meet their needs or satisfaction, they will not be willing to pay for the product at a high price, or it can be said that there will be no purchase decision.

1.6. Previous Study

Previous research is used as a reference for researchers in conducting this research. Previous researchers, namely as follows conduct several supporting studies:

Table 1.2 Literature review

Researcher Name & Years	Research Title	Research Method	Result
Rosanti et al. (2021)	The Effects Of Brand Image And Product Quality On Purchase Decisions.	76 respondent using quantitative method.	Brand image has positive influence on purchase decisions. Product quality has positive influence purchase decisions.
Novita et al. (2021)	The Influence Of Brand Image And Word Of Mouth Communication On Purchase Decisions In Tiktok Shop.	89 respondents the data from questionnaire.	Brand image has positive influence on purchase decisions, Word of mouth communication has positive influence on purchase decisions
Agmeka et al. (2019)	The Influence Of Discount Framing Towards Brand Image On Purchase Intentions And Actual Behavior In E-Commerce	Quantitative study with 307 valid sample, This study used Structural Equation Modelling (SEM) with SPSS	That there significant influence between the stated hypotheses above.
Pradeep (2020)	Factors Influencing Consumer Purchase Decision Based On Pricing In Chennai	1830 sample (Independent sample t test, chi square and ANOVA are the research tools used in this research)	The audit result illustrate that each individual requires cost inspirations (augmentation or decay) of different solidarity to pick another thing than the one at first supported, dependent upon individual and situational factors

Researcher Name & Years	Research Title	Research Method	Result
Wibowo & El Juhara (2021)	The Determination Of Halal Labeling And Brand Image Toward Purchase Intentions And Purchase Decision	155 people (female consumers wardah in Yogyakarta aged 17 years and over analytical tool :Structural Equation Modelling (SEM))	Halal labeling has no significant influence on purchase intention. Brand image has positive influence on purchase intention. Halal labeling has positive influence on purchase decision. Brand image has positive influence on purchase decisions.
Rihayana et al. (2022)	The Influence Of Brand Image And Product Quality On. Purchase decision	105 respondents. Data were analyzed using SPSS	Brand image has positive influence on purchase decisions. Product quality has positive influence on purchase decisions.
Ilmi Listighfaroh (2020)	The Influence Of Product Quality, Price And Promotion On Purchasing Decisions For Feira White Shower Liquid Soap Products Cream In Surabaya	75 respondents using SPSS statistical tools.	Product Quality has positive influence on purchase decisions. Product Price has no significant influence purchase decisions. Promotion has positive influence on purchase decisions.
Waluya et al. (2019)	How Product Quality Brand Image And Costumer Satisfaction The Purchase Decisions Of Indonesia Automotive Customers	200 respondents with path analysis method using SPSS.	Product quality, brand image, and customer satisfaction has positive influence on purchase decisions. Product quality and brand image have no direct influence on purchase decisions through the variable of customer satisfaction.
Irfan & Rachmawati	The influence of brand image and	400 respondents all over	Brand image has positive influence on

Researcher Name & Years	Research Title	Research Method	Result
(2018)	product price towards purchase decision on xiomi smartphone in Indonesia	Indonesia. This research is using SPSS 23 and Multiple Linear Regression	purchase decisions. Product price has positive influence on purchase decisions. Brand image and product price has positive influence on purchase decisions.
Salwa Kusuma et al (2022)	The influence of brand image, product quality and price on purchase decisions on the uniqlo brand (study on uniqlo dp mall semarang consumers)	100 respondents all over Indonesia. This research is using SPSS 26 and Multiple Linear Regression	Brand image has positive influence on purchase decisions. Product price has positive influence on purchase decisions. Product quality has positive influence on purchase decisions.

Based on table of previous study, the differences between this research and previous research are:

1. This object of this research had not been researched before. This research focus on the locus of H&M DP mall Semarang customers.

2. This research was conducted in 2024 which may have different results from the previous year.

3. The variable of this research using brand image, product price and purchase decisions.

1.7. Hypothesis

The hypothesis is a temporary answer to the formulation of the research problem, said to be temporary because the answers given are only based on

relevant theories, not yet based on empirical facts that can be obtained through data collection. The hypotheses proposed in this study are:

H1: brand image has significant influence on purchasing decisions.

H2: product price has significant influence on purchasing decisions.

H3: brand image and product price simultaneously has significant influence on purchasing decisions.
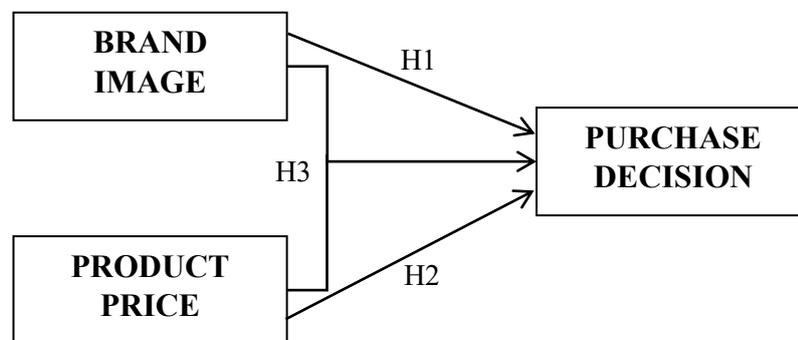

Figure 1.8 Hypothesis Model

1.8. Conceptual Definition

Concept definition is the stage of giving an explanation regarding the limitation of understanding of the things observed. The definition of the concept of each variable in this study is as follows:

1.8.1. Purchase Decision

Purchase decisions are crucial for companies as producers and need further attention. Kotler and Armstrong (2007) write that the definition of a purchasing decision is the stage or decision process where consumers purchase a product or service.

1.8.2. Brand Image

According to Kotler and Keller (2008) brand image is what consumers think and feel when they hear or see the name of a brand. A quality brand not only gives a name to a product but also carries a message that the company wants to convey. A good brand image is needed to attract more purchasing decisions and consumer loyalty to the brand.

1.8.3. Product Price

According to Armstrong (2008) price is the amount of money charged for a product or service. Price is also an element of the marketing mix that aims to generate revenue, followed by other elements representing costs. Prices are flexible or can change at any time sooner or later.

1.9. Operational Definition

The operational definition is an indication of how a variable is measured. The operational definition of variables from this research are:

1.9.1. Purchase Decisions

Purchase decisions are crucial for companies as producers and need further attention. Kotler and Keller (2016) defined purchase decision as a set of process called "five-stage model". according to Tjiptono (2014), the measuring instrument used uses the following indicators:

1. product Selection
2. Choice of Reputable brand
3. Dealer Selection
4. Purchase timing and quantity.

5. Payment Method

1.9.2. Brand Image

From Supranto & Limakrisna (2007) brand image is what consumers feel and think. Consumers hear or see a brand or whatever consumers have learned about the brand. Company image or store image only applies to company image and store image, not for some goods. According to Keller (2016) the measuring instrument used uses the following indicators:

1. Visual elements that distinguish a brand

2. Distinctive traits that reflect the character of the brand.

3. The relationship between a brand and a particular idea/emotion.

4. Consumers' positive or negative attitude toward the brand.

5. The benefit the brand provides to consumers.

1.9.3. Product Price

According to Armstrong (2008) price is the amount of money charged for a product or service. Price is also an element of the marketing mix that aims to generate revenue, followed by other elements representing costs. Prices are flexible or can change at any time sooner or later. According to Armstrong (2015) the measuring instrument used uses the following indicators:

1. Price Affordability

2. Equality of price with product quality

3. Price match with benefits

4. Price according to ability or price competitiveness

1.10. Research Methods

1.10.1. Research Type

This study uses explanatory research with a quantitative approach. Explanatory research is used to explain the relationship between variables and provide an explanation of why and how a relationship can occur in a situation. Researchers not only describe a phenomenon but also explain why it can happen and its effect. Authors must make hypotheses to test theories related to hypotheses to strengthen or even reject theories and hypotheses from existing research results.

This research focuses on the correlation between the Brand Image (X1) and Product Price (X2) variables on the Purchase Decision (Y) variable. Brand Image and Product Price are independent variables, and Purchase Decision is the dependent variable.

1.10.2. Population and Sample

1.10.2.1. Population

According to Sugiyono (2019) a population is a generalization area consisting of objects or subjects that meet specific quantities and characteristics that have been determined by researchers to be studied, and conclusions are drawn. It can be concluded that the understanding of population aims to provide limitations to the author to determine the target area of the research subject. So for this research, the subjects in the study of the population needed by the author are people who have bought the H&M product on H&M store at DP mall Semarang are around 17-55 years old, and have an interest in the fashion world.

1.10.2.2.Sample

According to Sugiyono (2019) the sample is part of the number and characteristics possessed by the population. However, the sample size is a step to determine the sample size taken in a study. Sugiyono (2019) said that the appropriate sample size for the study was between 30 to 500.

From the theory above, the researcher used a sample of 100 people from the entire population of consumers who have purchased H&M products at DP mall Semarang.

1.10.3. Sampling Technique

Sampling is a process of selecting several elements from the population so that by studying the sample, it will be possible to generalize the characteristics of the population elements.

The sampling technique used in this study is a non-probability sample and uses a purposive sampling approach, namely, taking a sample based on specific objectives and considerations. This study also uses an accidental sampling approach, namely the determination of the sample based on chance. If a respondent met by the researcher has the appropriate criteria, then he or she can be used as a respondent in this study. In this case, one of the things to consider is people who are consumers of the H&M store in DP mall Semarang. The characteristics of respondents who can be used as samples are as follows:

1) Be more than 17 years old male/female and reside in Semarang.

2) have ever bought an H&M brand product

3) Willing to fill out a questionnaire related to this research.

4) H&M product purchase location at DP mall Semarang

1.10.4. Data Types and Sources

1.10.4.1. Data Types

This study uses quantitative data, and this type is data that can be measured or calculated directly, in the form of information or explanation expressed in the form of numbers or numbers. The type of data used in this study is the research of consumers of H&M in DP mall Semarang regarding brand image, product price, and purchase decisions.

1.10.4.2. Data sources

The study's data sources consisted of primary and secondary data. Primary data is data obtained directly from consumers of the H&M brand, and secondary data is obtained through other sources such as writings from books, journals, and the internet. Moreover, Diponegoro University documents are relevant to this research topic.

1.10.5. Measuring Scale

In essence, doing research is taking measurements, so a good measuring tool must be used. According to Sugiyono (2019) a Research instrument is a tool used to measure natural and social phenomena being observed. Researchers chose to use a questionnaire research instrument. According to Sugiyono (2019) a questionnaire is a data collection technique that gives respondents a set of questions or written statements to answer. The choices provided by the Likert scale, according to Sugiyono (2019) are as in the table below:

Table 1.3 Scoring Guidelines

No	Alternative answer	Score
1.	Strongly Agree	5
2.	Agree	4
3.	Neutral	3
4.	Disagree	2
5.	Strongly disagree	1

So with this Likert scale, researchers want to know the effect of Brand Image (X1) and Product Price (X2) Against Purchase Decision (Y).

1.10.6. Data Collection Technique

Sampling technique is a sampling technique to determine the sample to be used in the study, there are various sampling techniques used Sugiyono (2019).

a. Questionnaire: a survey of several data by asking online questions to consumers of the H&M brand at DP mall Semarang.

b. Literature study: collecting data from several scientific works related to the problems faced and will be used in the thesis preparation.

1.10.7. Data Processing Techniques

After the data is obtained, then it is processed, and after that, it is presented in the form of tables for analysis purposes. The data processing includes:

a. Editing

This process is carried out after the data is collected. The editing process is carried out to see whether the answers to the questionnaire have been filled out correctly. In addition, the editing process aims to get quality answers so that the answers to the conclusions are correct.

b. Coding

That is the process of assigning a specific code to various answers from the questionnaire to be grouped into the same category. The purpose of coding is to simplify respondents' answers so that they are easy to process in SPSS and make them easier to analyze.

c. Scoring

That is the process of assigning a specific code to various answers from the questionnaire to be grouped into the same category. The purpose of coding is to simplify respondents' answers so that they are easy to process in SPSS and make them easier to analyze.

d. Tabulating

Tabulation is a grouping of answers carefully and regularly, then calculated and added up to materialize in the form of a helpful table. With this grouping, it is hoped that the reader can see the research results.

1.10.8. Research Instruments

According to Sugiyono (2019) a research instrument is a means to find an observed natural or social phenomenon. In this study, the measuring instrument used was a questionnaire containing questions to be answered by the research subjects. Previously, a theoretical construction has been prepared as the basis for preparing the questionnaire in this writing. On the theoretical basis, it will be developed back into an indicator which is developed into a set of questions and a Likert scale is used to give the score.

1.10.9. Analysis Techniques

The analytical technique used in this research is the quantitative analysis technique. Quantitative analysis is an analytical method with numbers that can be calculated or measured. Quantitative analysis is intended to estimate the magnitude of the influence of changes in one or several other events using statistical analysis tools.

Quantitative analysis uses a quantitative data approach in which the measurements state the numbers arranged in tables, and the calculations use statistical tests (SPSS).

1.10.9.1. Normality Test

The data normality test is used to determine whether the data that has been collected and will be used is normally distributed or not. The provisions are as follows:

a. If the significant value is greater than 0.05, it means that the research data is normally distributed

b. If the significant value is smaller than 0.05, it means that the research data is not normally distributed

1.10.9.2. Heteroscedasticity Test

The heteroscedasticity test is used to determine the data that has been collected and will be used where there is a mismatch between one observation and another. A good model is one that does not occur heteroscedasticity. The basis for decision making is as follows:

a. The data points spread above and below

b. The spread of data points does not form a certain pattern

1.10.9.3. Multicollinearity test

Multicollinearity test is used to determine existence of high correlation between variables in a multiple regression model. If there is a high correlation between the independent variables, then relation between them of the dependent variable will be disrupted. Multicollinearity testing can be done by looking at value of Variance Inflation Factors (VIF) and Tolerance.

1.10.9.4. Validity Test

Indicators that have been translated into a questionnaire require a validity test. This test is carried out to measure whether or not the questionnaire is valid. This study's indicators come from brand image, price variables, and purchasing decisions. If this variable can be measured, the questionnaire can be declared valid. However, if the questionnaire is invalid, it will not be easy to measure what will be measured. This validity test was carried out using a one-sided test with a significance level of 5%.

The following indications of the validity of a questionnaire, according to Ghozali (2013) are:

- r_{test} is greater than r_{table} ($r_{test} > r_{table}$), then the questionnaire is declared valid

- r_{test} is smaller than the r_{table} ($r_{test} < r_{table}$), then the questionnaire is declared invalid

1.10.9.5. Reliability Test

A reliability test is intended to test whether an instrument can be trusted or not. Reliable instruments will produce reliable data as well. If the data is indeed under reality, no matter how many times it is taken, it will still be the same. Cronbach's Alpha formula calculates reliability:

$$r_i = \frac{k}{k-1} \left\{ 1 - \frac{\sum Si^2}{St^2} \right\}$$

k   = Mean Square between subjects

$\sum Si^2$ = Mean square of the error

St^2 = Total Variance

A construct or variable is said to be reliable if it gives a Cronbach Alpha value > 0.60.

1.10.9.6. Correlation Coefficient Test

The correlation coefficient test is intended to show the strength of the relationship between two variables and can be known based on the r-value of the correlation analysis results. To provide an interpretation of the value of the correlation coefficient, a guideline is used. According to Sugiyono (2009) to determine the closeness of the relationship/correlation coefficient between these variables, guidelines are given:

Table 1.4 Guidelines for Determining the Closeness Between Variables

R Value Interval	Interpretation
0,00-0,199	Very low correlation
0,20-0,399	Low correlation
0,40-0,599	Strong enough correlation
0,60-0,799	High correlation
0,80-1,000	Very high correlation

Sources : Sugiyono (2009)

1.10.9.7.Linear Regression Test

Regression analysis is a study to determine the quality relationship between several independent variables and the dependent variable (Ghozali, 2013). There are two types of regression analysis, namely simple linear regression and multiple linear regression, which are distinguished based on the number of independent variables. The results obtained are in the form of a coefficient for each independent variable which can later be concluded that there is an influence or not in this study.

1.10.9.8.Coefficient Of Determination

The coefficient of determination (R^2) measures how far the ability of the model to explain the variation of the dependent variable. The value of the coefficient of determination is between zero and one. The small value of 2 shows that the independent variable's ability to explain the variable's variation is minimal. A value close to one means that the independent variables provide almost all the information needed to predict the variation of the dependent variable. However, the use of the coefficient of determination has a weakness, namely that there is a bias towards the number of independent variables included in the model. In order to avoid this bias, the adjusted two value is used, where the adjusted two value can increase or decrease if one independent variable is added (Ghozali, 2018).

1.10.9.8.1.   Ordinary Least Square

Simple linear regression analysis is useful for analyzing the relationship between two variables in research. This relationship is partial by only looking at

the relationship between one independent and dependent variable (Sugiyono, 2017). The following is a simple linear regression equation:

$Y = \alpha + bx$

Meaning:

Y = Purchase Decision

X = Brand Image / Product Price

α = Constant, the value of Y if X = 0

b = Regression Coefficient

1.10.9.8.2. Multiple Regression

Multiple linear regression analyzes the relationship or attachment of more than one independent variable with the dependent variable (Sugiyono, 2017). So multiple regression functions to see how much influence the independent variables have together or simultaneously. Brand image and price variables are simultaneously tested on purchasing decisions. Below is the general equation for multiple regression:

$Y = \alpha + bX$

Namely:

Y = Purchase Decision

X = Brand Image/Product Price

α = Constant, the value of Y if X = 0

b = Regression Coefficient

1.10.9.9.Significant Test

1.10.9.9.1.   T-test

The t-test is used in quantitative research to test whether the independent variable (X) affects the dependent variable (Y) individually. Each brand image and price variable is tested against purchasing decisions to see whether it has an effect. The t-test measurement uses the formula:

$$t = \frac{\sqrt{(n-2)}}{\sqrt{1-r^2}}$$

t = t-test

n = number of sample respondents

r = magnitude of correlation

(note: t-table for 5% error rate and N=100)

The t value calculation are used to determine the results, but the null hypothesis and alternative hypotheses are determined first, namely:

- Null Hypothesis or Ho: $\beta = 0$ means that there is no influence between Brand Image (X1), and Product Price (X2) partially on the Purchase Decision Variable(Y).

- Alternative Hypothesis or Ha: $\beta \neq 0$ means that there is an influence between Brand Image (X1), and Product Price (X2) partially on the Purchase Decision Variable(Y).
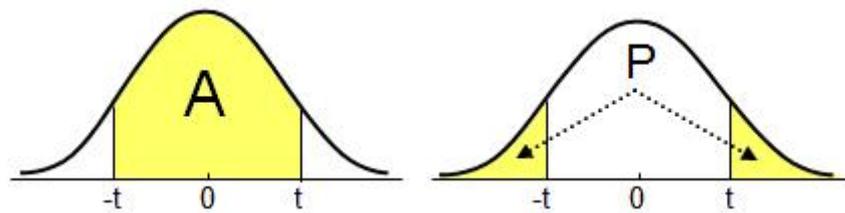
Figure 1.9 T- test Result Curve (two tailed)

1.10.9.9.2.   F Test

The F test is conducted to see the significant effect of independent variables together on the dependent variable. The hypothesis for the F test is as follows:

- Null hypothesis (Ho): there is no influence between brand image and price on purchasing decisions for the H&M brand.

- Alternative hypothesis (Ha): there is an influence between brand image and price on purchasing decisions for the H&M brand.

Determine the feasibility of the model, which can be done by comparing the calculated F value with the F table value at a significance level of 5%. The criteria are as follows:

- If F test > F table, then Ho is rejected, meaning that each independent variable significantly influences the dependent variable.

If F test < F table, then Ho is accepted. It means that each independent variable together does not have a significant influence on the dependent variable