

The Influence of Product Quality, Price Fairness, Brand Image, and Customer Value on Purchase Decision of Toyota Agya Consumers: A Study of Low Cost Green Car

Freddy Pandapotan Simbolon^{1*}; Elvira Rossi Handayani²; Menik Nugraedy³

¹⁻³Management Department, BINUS Business School Undergraduate Program, Bina Nusantara University
Jln. K. H. Syahdan No. 9, Jakarta Barat 11480, Indonesia

¹freddysimbolon@binus.ac.id; ²elvirarh23@gmail.com; ³meniknugraeny@gmail.com

Received: 30th April 2020/ Revised: 4th June 2020/ Accepted: 7th July 2020

How to Cite: Simbolon, F. P., Handayani, E. R., & Nugraedy, M. (2020). The Influence of Product Quality, Price Fairness, Brand Image, and Customer Value on Purchase Decision of Toyota Agya Consumers: A Study of Low Cost Green Car. *Binus Business Review*, 11(3), 187-196. <https://doi.org/10.21512/bbr.v11i3.6420>

ABSTRACT

The research aimed to investigate the influence of product quality, price fairness, brand image, and customer value on purchase decision in the Low Cost Green Car (LCGC). The research applied a quantitative method with survey design. It was conducted in Auto2000 Jakarta with a sample of 100 Toyota Agya owners using an accidental sampling technique. Data analysis for hypothesis test used path analysis calculated with SPSS software. The research findings indicate that product quality, brand image, and customer value significantly influence the purchase decision of Toyota Agya consumers. Meanwhile, price fairness has no effect on the purchase decision. The results also show that product quality, price fairness, and brand image affect customer value. Based on these findings, in developing LCGC, manufacturers must pay attention to product quality, build brand reputation, and create more value for consumers.

Keywords: product quality, price fairness, brand image, customer value, purchase decision, Low Cost Green Car (LCGC)

INTRODUCTION

Indonesia is a developing country which is also the largest automotive market in ASEAN. The size of Indonesia's population is a strong magnet for the world's automotive manufacturers to offer their products. Therefore, many car manufacturers enter the Indonesian market. It leads to fierce competition in the automotive industry in Indonesia. The product lifecycle of a vehicle is faster so that every year, many car variants arise in the market. In this situation, every automotive company needs to have the right strategy to have strong competitiveness.

One of the most popular automotive brands in Indonesia is Toyota. Today, Toyota still leads the automotive market in Indonesia with a market share of around 32% (Maskur, 2019). Its success to survive is inseparable from its ability to understand consumers'

needs. Then, the products produced are generally well accepted by consumers. In accordance with market trends, Toyota products that continue to develop are city car models. One of the products is Toyota Agya, competing closely with other brands such as Honda Brio Satya, Daihatsu Ayla, Suzuki Karimun, and Datsun Go. Toyota Agya is a type of Low Cost Green Car (LCGC) that the government plans to develop the national automotive industry. This program aims to provide vehicles that are more affordable to the community to support their mobility (Auto2000, 2020).

The sales performance of Toyota Agya compared to its competitors was still unsatisfactory from January to May 2019. It was only in the third rank (see Table 1). It could not compete with Honda Brio Satya and Daihatsu Ayla. Honda Brio Satya, as the main competitor, was able to sell twice than Toyota Agya (PT Toyota Astra Motor, 2019).

The unsatisfactory performance was also reflected by the achievement of the sales target of Toyota Agya in 2019 (see Table 2). Only four in 12 months, the sales target was achieved (PT Toyota Astra Motor, 2019). This fact indicates that more consumers have decided to purchase competitor products. This phenomenon also shows that there are issues that need to be explored why consumers are more interested in choosing competitor products. It requires a thorough evaluation of its products and consumers so that the Toyota Agya can be a superior product. In addition, the company must also try to understand consumers' behavior. It needs to know what is required and desired by consumers. It is an important step that must be accomplished by the company so the products can be accepted in the market. Failing to understand these can affect marketing systems and customer service.

Also, the popularity of Toyota Agya cannot compete with competitors. Based on the survey by Top Brand Award, the index of Toyota Agya is 0,8%. It is below Daihatsu Ayla (16,1%) and Honda Brio Satya (14,5%) (Top Brand Award, 2019). In terms of product quality, Toyota Agya still has problems. According

to the Indonesia Initial Quality Study (IQS) from JD Power, Toyota Agya is categorized as the car with the most complaints (Khoirudin, 2016).

In conditions with a very dynamic business environment, companies need to continue evaluating their strategies. Likewise, with the generally unsatisfactory sales performance in Toyota Agya, it is necessary to have a more in-depth evaluation to find out the determinant factors. Companies must convince the causes of consumer behavior. If it is not done, the company will have an unclear direction in developing products, have ineffective and inefficient strategies, and ultimately lose the competition. Therefore, a systematic study is needed to understand Toyota Agya consumers' behavior, especially their purchase decision. The company can focus on formulating the strategy with a clear picture of consumer behavior.

Conceptually, consumer behavior is reflected by purchase decision. It is a behavior or action of someone to buy a more preferred brand (Kotler & Armstrong, 2018). In another view, a purchase decision is also decision-making process by individuals that require information from multiple sources (Anwer,

Table 1 Total Sales in 2019 of Toyota Agya in Indonesia

Car Brand	January	February	March	April	May	Total
Honda Brio Satya	3.617	4.175	5.816	3.762	4.758	22.128
Daihatsu Ayla	2.182	2.007	2.184	1.767	2.540	10.680
Toyota Agya	2.163	1.665	1.867	1.945	2.699	10.339
Suzuki Karimun	488	340	320	64	603	1.815
Datsun Go	365	241	214	224	295	1.339

(Source: PT Toyota Astra Motor, 2019)

Table 2 Target and Actual Sales of Toyota Agya

Month	Target	Actual	Evaluation
January	2.163	1.802	X
February	1.665	1.510	X
March	1.867	2.257	√
April	1.945	2.274	√
May	2.699	2.450	X
June	1.735	1.490	X
July	2.245	2.384	√
August	2.181	2.027	X
September	2.223	1.734	X
October	2.158	2.074	X
November	2.280	2.989	√
December	2.367	2.091	X
Total	25.528	25.082	X

(Source: PT Toyota Astra Motor, 2019)

Deshpande, Derry, & Basil, 2020). It is a thinking process that leads consumers to identify needs, produce options, and choose specific products and brands. Hence, it is not limited to the decision at the time of purchase, but it includes choosing a brand, model, time to make a purchase, how much it will cost, and the payment method (Salem, 2018). Relevant to this view, purchase decision involves the order of choices formed by consumers before making a purchase. It starts after the consumer has a desire to fulfill their needs. If consumers intend to buy certain products, they will go through at least several phases. There is the introduction of problems. When consumers intend to meet their needs and desires, they seek information from internal sources (experience) about products and external sources (friends and family). Finally, they evaluate alternatives and choose the brand that is considered the most appropriate to meet their needs (Hanaysha, 2018).

To reach the purchase decision stage, consumers are affected by many factors. The first factor affecting the purchase decision is product quality. The main idea that should be built by companies is to create products or services that consumers like by offering the best quality. The companies need to make continuous improvements to their products. The company's ability to create product quality will increase competitiveness. Then, the company will have the ability to survive in the long run. In a simple sense, the product quality is a product or service that can meet consumers' needs explicitly and implicitly (Armstrong & Kotler, 2015), product excellence perceived by consumers (Gök, Ersoy, & Börühan, 2019), and overall evaluation of a product by customers (Xu, Blankson, & Prybutok, 2017).

Product quality has an important role in influencing purchase decisions. Every consumer expects to get a good quality of a product. The quality becomes one of the criteria used by consumers to decide when buying goods. If companies can present good product quality, consumers will be more easily attracted to buy it. Gunadi (2015) proved that product quality influenced the purchase decision. Similarly, Rizan, Nauli, and Mukhtar (2017), Saputra and Dinalestari (2017), and Suhaily and Darmoyo (2017) showed that product quality had a significant effect on the purchase decision.

In addition to influencing a purchase decision, product quality also has a positive impact on customer value. Dadwal (2017) stated that one of the essential factors to increase customer value was product quality. Similarly, Razak, Nirwanto, and Triatmanto (2016) and Mbango (2019) suggested that product quality affected customer value.

The second factor that influences the purchase decision is price fairness. According to Shaw (2020), the perception of price fairness is an essential factor in purchase decision-making. Price is a crucial factor to be considered by companies. It must be determined carefully. In general, consumers are very sensitive to price, so it is easy to influence their attitudes and

behavior. Companies must set the price fairly so that consumers do not feel disadvantaged. Therefore, it is important to understand consumers' perceptions of price fairness. As a result, companies do not lose consumers if the price is considered fair. In a simple sense, price fairness means evaluating price comparison between actual and reference prices (Chung & Kim, 2016). The perception of price fairness arises when consumers feel that they pay more than they should, and they suspect that other customers pay less (Opata, Xiao, Nusenu, Tetteh, & Boadi, 2019). Price is perceived fair when the price offered by the producer is reasonable (Nguyen & Meng, 2016). The consumers can evaluate price fairness by price transparency and the competitor's price (Jin, Merkebu, & Line, 2019). If the price is unfair, the consumer also feels mistreated by the company. This situation will raise the consumers' negative emotions, and ultimately they will not decide to buy the product. Albari and Safitri (2018) agreed that price fairness had a significant effect on customer value. Price fairness also impacts customer value. Consumers who perceive price fairness will feel treated fairly by the company. It can increase customer value. Konuk (2019) and Razak *et al.* (2016) showed price fairness as an antecedent of customer value.

The third factor influencing purchase decision is the brand image (Saputra & Dinalestari, 2017; Wibowo, Sari, & Saidani, 2017). A brand is an essential asset for the company, so it must be well maintained. Although the brand is not tangible, its existence can influence the consumers' attitudes and behaviors. Brand image creates experiences, emotional responses, and plays an important role in improving consumer purchase intentions (Febriyantoro, 2020). Conceptually, brand image is defined as a mental scheme formed by several concepts interconnected by linkages and associations. It symbolizes brand knowledge that develops the interaction with firms and customers' experiences (Blasco-Arcas, Hernandez-Ortega, & Jimenez-Martinez, 2016). Brand image is related to specific brand attributes perceived by consumers (Yu, Liu, Lee, & Soutar, 2018). It is an essential intangible asset in the company (Agmeka, Wathoni, & Santoso, 2019). The previous research also confirms that brand image is a determinant of purchase decision (Hapsoro & Hafidh, 2018).

In addition to affecting purchase decision, the brand image also influences customer value (Hasby, Irawanto, & Hussein, 2018). Brands that are perceived positively can give consumers pride in using their products. This pride is an additional value obtained by consumers. A strong brand image can increase customer value. Tu (2015) also described that image had an important role in shaping customer value, especially functional image.

Finally, customer value is also considered a factor that influences purchase decision. Customer value is a fundamental concept in business and marketing (Yrjölä, Rintamäki, Saarijärvi, Joensuu, & Kulkarni, 2019). It is needed to drive the purchase

decision. Hence, companies must create positive customer value. Kumar and Reinartz (2016) stated that customer value was consumers' net valuation of the perceived benefits from an offering based on the costs they were willing to spend for their needs. Wilson, Zeithaml, Bitner, and Gremler (2016) asserted the perceived value was an overall consumers' assessment regarding the usefulness of a product or service based on the perception obtained. The value was a strong bond to consumers' perceptions of the benefits received with costs concerning the amount of money, time, and effort. In other words, customer value is an exchange between perceived benefits and costs (Calvo-Porrall, Faíña Medín, & Montes-Solla, 2016). It is also related to customers' assessments regarding the economic, technical, and relational benefits of the price (Song, Cadeaux, & Yu, 2016).

Customer value plays an essential role in influencing consumer buying behavior (Hanaysha, 2018; De Medeiros, Ribeiro, & Cortimiglia, 2016). If consumers feel more benefits by buying a product, it will be easier for them to buy it. Customer value has a strong influence on actual buying and purchase intentions (Ahmad, Mohamed, & Hussain, 2016; Eka & Hamdani, 2017).

Based on the description, the research aims to examine the effect of product quality, price fairness, brand image, and customer value on the purchase decision of Toyota Agya at Auto2000 Jakarta. The research investigating the factors affecting customer purchase decision, especially for LCGC, is still limited so far. This research is expected to assist automotive companies in understanding consumers' behavior, especially purchase decision. Thus, companies can formulate appropriate strategies in developing and promoting their products. In addition, this research can also expand marketing management studies related to consumer behavior.

From the literature reviews and the previous studies explained, the research framework is shown in Figure 1. The research hypothesis can be formulated as follows.

- H1: Product quality has a direct effect on purchase decision.
- H2: Price fairness has a direct effect on purchase decision.
- H3: Brand image has a direct effect on purchase decision.
- H4: Customer value has a direct effect on purchase decision.
- H5: Product quality has a direct effect on customer value.
- H6: Price fairness has a direct effect on customer value.
- H7: Brand image has a direct effect on customer value.

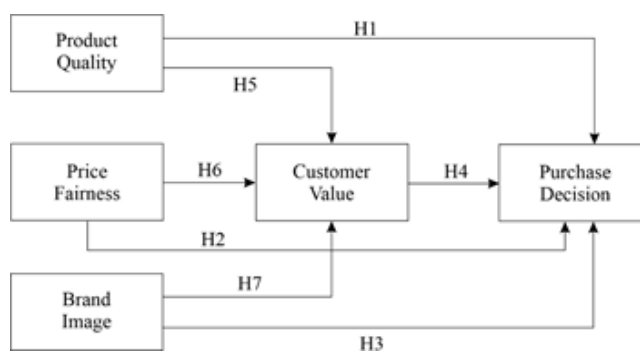


Figure 1 Theoretical Framework

METHODS

The research applies a quantitative approach with survey design. The context shows that the survey method is used to explain the effect of product quality, price fairness, brand image, and customer value on purchase decision. From the total population of 869 owners of Toyota Agya in the Auto2000 Jakarta, 100 participants are selected as a sample calculated with the Slovin formula. Sample selection is made by accidental sampling technique to visitors of Auto2000 Jakarta. The criterion is the visitors who have purchased Toyota Agya. The questionnaire is randomly given to visitors who are willing to fill out the questionnaire and meet predetermined criteria. The relatively small number of samples and usage of accidental sampling techniques are due to the Covid-19 pandemic situation. The government implements health protocols for physical distancing and working from home. In this situation, it is not easy to find people who are willing to be participants. It is difficult for researchers to get more research samples. The most important is that the research has fulfilled a minimum sample size requirement and met scientific standards.

Data collected for all variables use a five-point Likert scale from Strongly Disagree (1) to Strongly Agree (5). The items of product quality are adapted from Gök *et al.* (2019) and Xu *et al.* (2017). It consists of eight items with Cronbach's alpha of 0,884. Then, for price fairness, the researchers adapt it from Konuk (2019) by including six items with Cronbach's alpha of 0,805. Items of brand image are from Ismail and Spinelli (2012). It has eight items with Cronbach's alpha of 0,845. For customer value, the researchers adapt it from Hanaysha (2018). It consists of six items with Cronbach's alpha of 0,872. Last, items of purchase decision are also from Hanaysha (2018). It comprises of five items.

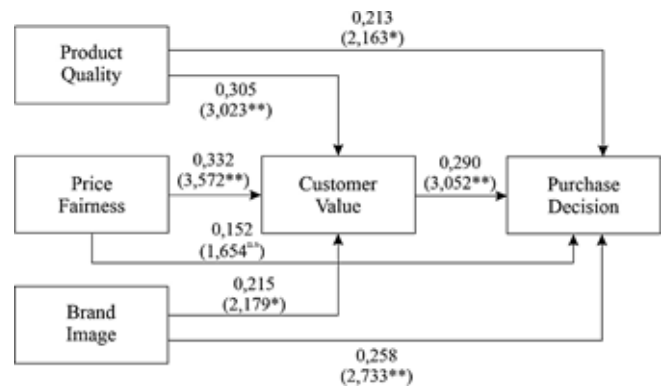
Data analysis techniques include descriptive statistics and inferential statistics. The descriptive statistic presents information about the minimum and maximum score, mean, standard deviation, and correlation coefficients. Meanwhile, inferential statistics are used to test research hypotheses using path analysis. The calculation is conducted with software SPSS version 26.

RESULTS AND DISCUSSIONS

The respondents' profile consists of gender, age, education, marital status, and job, as shown in Table 3. Based on gender, the majority of participants are male (72%). For age, most participants are 31–40 years old (52%). Generally, the participants have bachelor's degree (69%). In marital status, most participants are married (83%). Then, most of them work in the private sector.

Then, each item in the questionnaire is tested for its validity using Pearson product-moment correlations. The results show that all items have a correlation coefficient (r-value) greater than r-critical (0,195). It means all items for the purchase decision, product quality, price fairness, brand image, and customer value are valid. Moreover, the reliability test obtains coefficient alpha of 0,717 > 0,7. It can be concluded that the purchase decision is reliable. The results are in Table 4.

Table 5 shows the correlation coefficient of the variables. It indicates the relationship among variables and descriptive statistics for each variable. The results show that all correlation coefficients between variables indicate a positive and significant relationship. The highest correlation is between customer value and purchase decision ($r = 0,94$). However, the lowest correlation is between price fairness and brand image ($r = 0,615$). Another descriptive statistics implies that the purchase decision has scored 2 to 5 with a mean score of 3,7 and a standard deviation of 0,6. For product quality, it shows a score range from 2 to 5 with a mean score of 3,3 and a standard deviation of 0,7. Then, price fairness has a score range from 2 to 4,8 with a mean score of 3,6 and a standard deviation of 0,7. For brand image, it has a score range from 2,3 to 4,9 with a mean score of 3,6 and a standard deviation of 0,7. Moreover, customer value shows a score range from 2,3 to 5 with a mean score of 3,8 and a standard deviation of 0,7.



Note: ** p-value < 0,01, * p-value < 0,05, and ^{n.s.}: not significant

Figure 2 Standardized Estimates and T-Values

The calculation of the path coefficient (standardized estimates) shows the influence of product quality, price fairness, brand image, and customer value on purchase decision. The results are presented in Table 6 and Figure 2. There is a direct effect of product quality on purchase decision. It obtains path coefficient of 0,213 with t-value of 2,163 and p-value of 0,033. The results show that the path coefficient is positive, and p-value is lower than 0,05. It means H1 is accepted. Thus, product quality has a direct positive effect on purchase decision. Every consumer will expect the goods have good quality. Hence, product quality becomes the main preference when consumers decide to buy a product. If consumers judge a product to have bad quality, they are less likely to buy it. On the contrary, if consumers perceive a product to have good quality, it will be easier for them to buy it. In previous studies, it has also been proven that product quality is an influencing factor in purchase decision (Gunadi,

Table 3 Demographic Description of the Sample

Description	Percentage (%)	Description	Percentage (%)
Gender		Marital status	
Male	72	Married	83
Female	28	Single	17
Age		Job	
< 30	20	Employee	54
31 – 40	52	Entrepreneur	18
41 – 50	22	Civil servant	16
> 50	6	Others	12
Education			
Diploma	8		
Bachelor	69		
Master	23		

Note: n= 100

2015; Rizan *et al.*, 2017; Saputra & Dinalestari, 2017; Suhaily & Darmoyo, 2017). Therefore, the research supports previous research by showing product quality as a determining factor in purchase decisions.

In addition to influencing purchase decisions, product quality has also been proven to affect customer value. The direct impact of product quality on customer value obtains path coefficient of 0,305 with t-value of 3,023, and p-value is lower than 0,05. Hence, H5 is supported. It implies that product quality has a direct positive effect on purchase decision. This finding is reasonable because by getting a product with good quality, consumers can feel that the sacrifice

(the price paid) equals the quality and benefits. It will provide a positive value for consumers because they think the benefits of the product purchased. This finding supports previous studies that product quality influences consumer value (Razak *et al.*, 2016; Mbango, 2019).

Then, there is also a direct effect of price fairness on purchase decision obtaining path coefficient of 0,152 with t-value of 1,654, and p-value is lower than 0,05. It means H2 is rejected. Price fairness has no significant effect on purchase decision. However, path coefficient from the direct effect of price fairness on customer value equals 0,332 with t-value of 3,572, and

Table 4 Validity and Reliability

Variables	Items	Validity (Correlation Coefficient)	Reliability (Cronbach's Alpha)
Purchase Decision	I feel good about my decision to purchase Toyota Agya	0,611	0,717
	I will positively recommend Toyota Agya to other people	0,630	
	I intend to purchase this car again in the future	0,677	
	I feel purchasing this car is the best decision	0,783	
	Overall, I am satisfied with my purchase of Toyota Agya	0,720	
Product Quality	Toyota Agya has a reliable engine	0,639	0,884
	Toyota Agya is durable	0,814	
	Toyota Agya has an efficient fuel consumption	0,819	
	Toyota Agya is equipped with the latest technology	0,671	
	Toyota Agya is comfortable to drive	0,786	
	Toyota Agya has an attractive interior	0,744	
	Toyota Agya has an attractive exterior	0,778	
	Toyota Agya is equipped with adequate safety features	0,700	
Price Fairness	The price of Toyota Agya from this dealer is understandable	0,606	0,805
	All consumers are treated equally by the dealer's price	0,711	
	The price of Toyota Agya is rational	0,829	
	I think the price of Toyota Agya is based on the costs	0,751	
	The price of Toyota Agya is considered based on customer's needs	0,760	
	The difference price of Toyota Agya with other brands (in the same class) is acceptable	0,602	
Brand Image	Toyota Agya is an attractive brand	0,568	0,845
	Toyota Agya is an imaginative brand	0,618	
	Toyota Agya has a good reputation	0,773	
	Toyota Agya is a valuable brand	0,683	
	Toyota Agya is a fashionable and trendy brand	0,667	
	Toyota Agya is a sophisticated brand	0,748	
	Toyota Agya is a well-known and prestigious brand	0,663	
	Toyota Agya is an elegant brand	0,807	
Customer Value	Toyota Agya offers products with good value for the money	0,742	0,872
	Toyota Agya provides excellent value to its consumers	0,790	
	Toyota Agya is a very reliable car	0,755	
	The staffs in this dealer provide technical support to customer	0,817	
	Compared with other city cars, it is wise to choose this car	0,818	
	The overall expected value of using this car is very high	0,786	

p-value is lower than 0,005. It means H6 is supported. Price fairness affects customer value positively and directly.

Price fairness in the research is not proven to affect purchase decision significantly, but it influences customer value. This finding confirms that the perception of price fairness is not considered necessary for purchase decision, especially a car. Consumers prioritize the product quality, brand image, and the value they will get when buying a car. This condition can be understood because the price is relative, and everyone is more concerned with the safety aspects when choosing a vehicle. So, the price is not the main consideration. However, the research proves that price

fairness has a significant effect on customer value. Customer value is closely related to the concept of exchange that the price paid by consumers must be equal to the received benefits. When consumers feel the sacrifice more than the benefits, it will increase their perception of the value they receive. Therefore, when consumers think that price is reasonable, it will increase the customer value (Nguyen & Meng, 2016). The results are supported by previous research indicating that price fairness influences customer value (Konuk, 2019).

Path coefficient from the direct effect of the brand image on purchase decision is 0,258 with t-value of 2,773, and p-value is lower than 0,05. Then,

Table 5 Descriptive Statistics

Variables	1	2	3	4	5
1. PD	1,000				
2. PQ	0,680**	1,000			
3. PF	0,637**	0,637**	1,000		
4. BI	0,680**	0,688**	0,615**	1,000	
5. CV	0,694**	0,664**	0,658**	0,629**	1,000
Minimum	2	2	2	2,3	2,3
Maximum	5	5	4,8	4,9	5
Mean	3,7	3,3	3,6	3,6	3,8
Standard Deviation	0,6	0,7	0,7	0,7	0,7

** p-value < 0,01

PD: Purchase Decision, PQ: Price Quality, PF: Price Fairness, BI: Brand Image, and CV: Customer Value

Table 6 Standardized Estimates and T-Values

No.	Variables Effect	Standardized Estimates	T-Value	P-Value	R-Squared	Decision
Sub-Structure 1						
1.	PQ → PD	0,213	2,163	0,033		H1 is accepted
2.	PF → PD	0,152	1,654	0,101	0,619	H2 is rejected
3.	BI → PD	0,258	2,733	0,007		H3 is accepted
4.	CV → PD	0,290	3,052	0,003		H4 is accepted
Sub-Structure 2						
5.	PQ → CV	0,305	3,023	0,003		H5 is accepted
6.	PF → CV	0,332	3,572	0,001	0,556	H6 is accepted
7.	BI → CV	0,215	2,179	0,032		H7 is accepted

PD: Purchase Decision, PQ: Price Quality, PF: Price Fairness, BI: Brand Image, and CV: Customer Value

H3 is accepted. The brand image has a positive direct effect on purchase decision. For the direct impact of the brand image on customer value, it has path coefficient of 0,215 and t-value of 2,179. The p-value is lower than 0,05. It means that H7 is accepted. The brand image also impacts customer value.

Brand image is proven to affect purchase decisions and customer value. Brands that have a positive image will increase consumers' confidence to make a purchase. Every customer generally has a prestige when using a product. They tend to use famous brands or brands with a superior image. Therefore, brand image has a role in influencing consumer buying behavior (Zhang, 2015). The findings of the research are in line with previous research showing the positive influence of brand image on purchase decision (Saputra & Dinalestari, 2017; Wibowo *et al.*, 2017). A brand with a positive image also brings pride to the consumers. It can provide emotional value or benefits. According to Tu (2015), the image has an important role in shaping customer value. The results of the research also support Hasby *et al.* (2018). They agreed that brand image affected customer value.

The effect of customer value on purchase decision has path coefficient of 0,290 and t-value of 3,052. The p-value is lower than 0,05. H4 is accepted. Therefore, it can be concluded that customer value has a direct effect on customer value. Customer value also shows a significant influence on purchase decision. If consumers perceive high value from buying a product, it will increase their confidence in buying it. Value perception can come from previous experience or information that has been collected before buying. Many aspects can be considered to reach a final judgment about a product, such as product quality, price, image, and after-purchase service. Therefore, customer value affects buying intention behavior. The findings of the research are in line with De Medeiros *et al.* (2016) and Hanaysha (2018).

Based on the R-Squared value of sub-structure 1, the purchase decision is 61,9% influenced by product quality, price fairness, brand image, and customer value. For sub-structure 2, customer value is 55,6% determined by product quality, price fairness, and brand image. The rest of the percentage is the factors that are not analyzed in this study.

Based on the hypothesis test results, the research indicates that purchase decision, especially for Toyota Agya (LCGC), is significantly affected by product quality, brand image, and customer value. Meanwhile, for price fairness, it does not affect the purchase decision, but it affects the customer value. Understanding consumers' behavior is an important activity that every company must carry out, especially for the marketing division. Manufacturers create products and services with the expectation that consumers are willing to buy it. When the product is well accepted in the market, the company will get profit as the main goal in business. Therefore, an important key that must be known is understanding what factors underlie consumers in deciding to purchase goods

or services. This information is very important for companies to formulate the right strategy to attract purchase intention.

The results also provide a clear indication that to be successful in developing LCGC, manufacturers must not ignore product quality, continue to build brand image, and create more value to consumers. Manufacturers should not sacrifice the quality of the car to pursue a low price. They must have clear targets about the positive benefits provided to consumers. Although price fairness has no effect on purchase decision, it influences customer value. So, price fairness must also be given attention. Companies must be transparent in implementing dynamic pricing policies so that consumers do not feel exploited by price determined. The price must be determined rationally and appropriately in line with the product quality and benefits to be well accepted by consumers.

Managerial implication regarding the results is that company must have a stronger commitment to provide good quality of LCGC and more valuable factors to its product. Good product quality and perceived value will also create a positive brand image. It will strengthen consumers' motivation to make purchases. The concept of a cheap car that has been attached to the LCGC should not be perceived as cheap and inferior cars because it leads to a negative image. For theoretical implication, the research supports the theory and previous research related to the important role of product quality, brand image, and customer value in influencing purchase decisions specifically for the automotive consumers in LCGC.

CONCLUSIONS

The competition in LCGC segment is very tight, so the manufacturers must implement the right strategy in developing their products. They must understand consumers' behavior to provide appropriate products and services to the consumers' desires and needs. The purchase decision is one of the consumer behavior attributes that is crucial to be understood by manufacturers. The research provides an empirical evidence that consumers' decisions in buying LCGC are significantly affected by product quality, brand image, and customer value. Meanwhile, price fairness does not influence the purchase decision. Other findings highlight that product quality, price fairness, and brand image significantly affect customer value.

The research is conducted during the Covid-19 pandemic, so it has several limitations. It includes a relatively small sample size compared to the population. Moreover, the researchers only take the population at Auto2000 Jakarta and choose one brand (Toyota Agya). In addition, the research also does not involve control variables such as demographic factors (social status or economic conditions) that may influence purchase decisions. Further research is needed to investigate the appropriateness of the conceptual model used in the research for other LCGC brands. Future research should use a larger sample

size, involve other LCGC brands, add new variables, and use statistical analysis (structural equation modeling). Hence, they can provide more convincing and comprehensive results and cover a wider area of generalization.

REFERENCES

- Agmeka, F., Wathoni, R. N., & Santoso, A. S. (2019). The influence of discount framing towards brand reputation and brand image on purchase intention and actual behaviour in e-commerce. *Procedia Computer Science*, 161, 851-858. <https://doi.org/10.1016/j.procs.2019.11.192>
- Ahmad, I. H., Mohamed, N., & Hussain, A. R. C. (2016). Social and technical perspective of individual's intention to purchase mobile application. In *Geospatial research: Concepts, methodologies, tools, and applications* (pp. 1484-1511). IGI Global.
- Albari, & Safitri, I. (2018). The influence of product price on consumers' purchasing decisions. *Review of Integrative Business and Economics Research*, 7(2), 328-337.
- Anwer, E., Deshpande, S., Derry, R., & Basil, D. Z. (2020). The value of values in business purchase decisions. *Journal of Business & Industrial Marketing*. <https://doi.org/10.1108/JBIM-03-2019-0111>
- Armstrong, G., & Kotler, P. (2015). *Marketing: An introduction* (12th ed.). Pearson.
- Auto2000. (2020). *Apa itu LCGC: Segala hal yang perlu anda tahu tentang kelebihanannya*. Retrieved September 25th, 2020 from <https://auto2000.co.id/berita-dan-tips/apa-itu-LCGC#>
- Blasco-Arcas, L., Hernandez-Ortega, B. I., & Jimenez-Martinez, J. (2016). Engagement platforms: The role of emotions in fostering customer engagement and brand image in interactive media. *Journal of Service Theory and Practice*, 26(5), 559-589. <https://doi.org/10.1108/JSTP-12-2014-0286>
- Calvo-Porrall, C., Faiña Medín, J. A., & Montes-Solla, P. (2016). Relational, functional benefits and customer value in large retailing: A cross-format comparative analysis. *Journal of International Food & Agribusiness Marketing*, 28(2), 132-148. <https://doi.org/10.1080/08974438.2015.1036483>
- Chung, J. Y., & Kim, Y. G. (2016). Structural relationships among health benefits, price comparison, and price fairness. *Asia Pacific Journal of Tourism Research*, 21(3), 312-327. <https://doi.org/10.1080/10941665.2015.1048264>
- Dadwal, S. S. (2017). Service sector and antecedents of marketing strategies for emerging markets: A case of Indian Market. In V. Nadda, S. Dadwal, & R. Rahimi (Eds.), *Promotional strategies and new service opportunities in emerging economies* (pp. 1-31). IGI Global.
- De Medeiros, J. F., Ribeiro, J. L. D., & Cortimiglia, M. N. (2016). Influence of perceived value on purchasing decisions of green products in Brazil. *Journal of Cleaner Production*, 110(January), 158-169. <https://doi.org/10.1016/j.jclepro.2015.07.100>
- Eka, D., & Hamdani, Y. (2017). Pengaruh customer value terhadap purchase decision melalui beauty blogger di Youtube (Studi pada pelanggan kosmetik local brand di Sumatera Selatan). *Jurnal Manajemen dan Bisnis Sriwijaya*, 15(4), 183-196. <https://doi.org/10.29259/jmbs.v15i4.5717>
- Febriyantoro, M. T. (2020). Exploring YouTube marketing communication: Brand awareness, brand image and purchase intention in the millennial generation. *Cogent Business & Management*, 7(01), 1-17. <https://doi.org/10.1080/23311975.2020.1787733>
- Gök, O., Ersoy, P., & Börühan, G. (2019). The effect of user manual quality on customer satisfaction: The mediating effect of perceived product quality. *Journal of Product and Brand Management*, 28(4), 475-488. <https://doi.org/10.1108/JPBM-10-2018-2054>
- Gunadi, N. P. (2015). The influence of product quality and consumer perception to purchase decision on Canon DSLR camera in Manado. *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis dan Akuntansi*, 3(1), 212-219. <https://doi.org/10.35794/emba.v3i1.6681>
- Hanaysha, J. R. (2018). An examination of the factors affecting consumer's purchase decision in the Malaysian retail market. *PSU Research Review*, 2(1), 7-23. <https://doi.org/10.1108/prr-08-2017-0034>
- Hapsoro, B. B., & Hafidh, W. A. (2018). The influence of product quality, brand image on purchasing decisions through brand trust as mediating variable. *Management Analysis Journal*, 7(4), 528-539.
- Hasby, R., Irawanto, D. W., & Hussein, A. S. (2018). The effect of service quality and brand image on loyalty with perception of value as a mediation variable. *Jurnal Aplikasi Manajemen*, 16(4), 705-713. <https://doi.org/10.21776/ub.jam.2018.016.04.17>
- Ismail, A. R., & Spinelli, G. (2012). Effects of brand love, personality and image on word of mouth: The case of fashion brands among young consumers. *Journal of Fashion Marketing and Management*, 16(4), 386-398. <https://doi.org/10.1108/13612021211265791>
- Jin, N., Merkebu, J., & Line, N. D. (2019). The examination of the relationship between experiential value and price fairness in consumers' dining experience. *Journal of Foodservice Business Research*, 22(2), 150-166. <https://doi.org/10.1080/15378020.2019.1592652>
- Khoirudin, A. (2016). Toyota Agya disebut mobil paling banyak keluhan. Retrieved April 3rd, 2020 from <https://www.otosia.com/berita/toyota-agya-disebut-mobil-paling-banyak-keluhan.html>
- Konuk, F. A. (2019). The influence of perceived food quality, price fairness, perceived value and satisfaction on customers' revisit and word-of-mouth intentions towards organic food restaurants. *Journal of Retailing and Consumer Services*, 50(September), 103-110. <https://doi.org/10.1016/j.jretconser.2019.05.005>
- Kotler, P., & Armstrong, G. (2018). *Principles of marketing*. Hoboken: Pearson Higher Education.
- Kumar, V., & Reinartz, W. (2016). Creating enduring

- customer value. *Journal of Marketing*, 80(6), 36-68. <https://doi.org/10.1509/jm.15.0414>
- Maskur, F. (2019). *Januari-April 2019: Pangsa naik jadi 32%, Toyota makin pimpin pasar*. Retrieved April 10th, 2020 from <https://otomotif.bisnis.com/read/20190511/275/921310/januari-april-2019-pangsa-naik-jadi-32-toyota-makin-pimpin-pasar>
- Mbango, P. (2019). The role of perceived value in promoting customer satisfaction: Antecedents and consequences. *Cogent Social Sciences*, 5(1), 1-16. <https://doi.org/10.1080/23311886.2019.1684229>
- Nguyen, A., & Meng, J. G. (2016). How source of funds affects buyer's judgments of price fairness and subsequent response. *Journal of Product & Brand Management*, 25(7), 710-720. <https://doi.org/10.1108/JPBM-02-2016-1104>
- Opata, C. N., Xiao, W., Nusenu, A. A., Tetteh, S., & Boadi, E. A. (2019). The impact of value co-creation on satisfaction and loyalty: The moderating effect of price fairness (Empirical study of automobile customers in Ghana). *Total Quality Management & Business Excellence*, 1-15. <https://doi.org/10.1080/14783363.2019.1684189>
- PT Toyota Astra Motor. (2019). *Penjualan total Toyota Agya di Indonesia*. Jakarta.
- Razak, I., Nirwanto, N., & Triatmanto, B. (2016). The impact of product quality and price on customer satisfaction with the mediator of customer value. *IISTE: Journal of Marketing and Consumer Research*, 30, 59-68.
- Rizan, M., Nauli, M. O., & Mukhtar, S. (2017). The influence of brand image, price, product quality and perceive risk on purchase decision transformer product PT. Schneider Indonesia. *JRMSI - Jurnal Riset Manajemen Sains Indonesia*, 8(1), 101-119. <https://doi.org/10.21009/jrmsi.008.1.06>
- Salem, M. Z. (2018). Effects of perfume packaging on Basque female consumers purchase decision in Spain. *Management Decision*, 56(8), 1748-1768. <https://doi.org/10.1108/MD-04-2017-0363>
- Saputra, A. W., & Dinalestari, P. (2017). The influence of brand image and product quality concerning automobile buying decision of Isuzu Panther at PT. Astra Isuzu Semarang. *Jurnal Administrasi Bisnis*, 6(2), 102-109. <https://doi.org/10.14710/jab.v6i2.16611>
- Shaw, S. (2020). The influence of thinking styles on perceived price fairness: An experimental study. In *Marketing and Smart Technologies: Proceedings of ICMarkTech 2019* (pp. 219-228). Springer.
- Song, H., Cadeaux, J., & Yu, K. (2016). The effects of service supply on perceived value proposition under different levels of customer involvement. *Industrial Marketing Management*, 54(April), 116-128. <https://doi.org/10.1016/j.indmarman.2015.12.003>
- Suhaily, L., & Darmoyo, S. (2017). Effect of product quality, perceived price and brand image on purchase decision mediated by customer trust (Study on Japanese brand electronic product). *Jurnal Manajemen*, 21(2), 179-194. <http://dx.doi.org/10.24912/jm.v21i2.230>
- Top Brand Award. (2019). *Top Brand Award*. Retrieved April 14th, 2020 from <https://www.topbrand-award.com/en/2019/04/mobil-city-car/>
- Tu, J. B. (2015). The empirical research about relations between brand image, brand experience and customer value. In A. Leung (Ed.), *Multimedia, communication and computing application*. CRC Press.
- Wibowo, S. F., Sari, E. P., & Saidani, B. (2017). The effect of trust and brand image on purchase decision (Toyota car survey in Jakarta region). *JRMSI-Jurnal Riset Manajemen Sains Indonesia*, 8(2), 318-338. <https://doi.org/10.21009/jrmsi.008.2.08>
- Wilson, A., Zeithaml, V. A., Bitner, M. J., & Gremler, D. D. (2016). *Services marketing: Integrating customer focus across the firm*. McGraw-Hill Education.
- Xu, L. U., Blankson, C., & Prybutok, V. (2017). Relative contributions of product quality and service quality in the automobile industry. *Quality Management Journal*, 24(1), 21-36. <https://doi.org/10.1080/10686967.2017.11918498>
- Yrjölä, M., Rintamäki, T., Saarijärvi, H., Joensuu, J., & Kulkarni, G. (2019). A customer value perspective to service experiences in restaurants. *Journal of Retailing and Consumer Services*, 51(November), 91-101. <https://doi.org/10.1016/j.jretconser.2019.05.030>
- Yu, M., Liu, F., Lee, J., & Soutar, G. (2018). The influence of negative publicity on brand equity: Attribution, image, attitude and purchase intention. *Journal of Product & Brand Management*, 27(4), 440-451. <https://doi.org/10.1108/JPBM-01-2017-1396>
- Zhang, Y. (2015). The impact of brand image on consumer behavior: A literature review. *Open Journal of Business and Management*, 3(1), 58-62. <https://doi.org/10.4236/ojbm.2015.31006>