


# The Effect of Price, Brand Image, and Product Quality on The Purchase Decision of Honda Motorcycles at Anugrah Kencana Motor Palembang

Vinsent Jonathan<sup>1</sup>, Idham Cholid<sup>2</sup>

<sup>1,2</sup> Faculty of Economics and Business, Departement OF Management, Multi Data Palembang

Article Info	ABSTRACT
<b>Keywords:</b> Purchase decision, Price, Brand image, Product quality	Consumer purchasing decisions are influenced by various factors, including price, brand image, and product quality. This study seeks to explore how these variables impact consumers in choosing Honda motorbikes at Anugrah Kencana Motor Palembang. Using a descriptive quantitative approach, data were collected from 264 respondents who were selected through purposive sampling, a type of non-probability sampling. The data were then analyzed using multiple regression with SPSS version 27. The findings reveal that brand image, product quality, and location play a significant and positive role in shaping consumer purchasing decisions, both individually and simultaneously. This highlights the importance of a strong brand perception and high product standards in attracting buyers. Interestingly, the price variable does not have a significant effect, suggesting that consumers may prioritize other factors over cost when making their decisions. These insights provide valuable input for businesses to refine their marketing strategies and enhance customer satisfaction.
This is an open access article under the <a href="https://creativecommons.org/licenses/by-nc/4.0/">CC BY-NC</a> license 	<b>Corresponding Author:</b> Vinsent Jonathan Faculty of Economics and Business, Departement OF Management, Multi Data Palembang Vinsentjonathan22@gmail.com

## INTRODUCTION

The development of the automotive world in Indonesia at this time has experienced quite a significant increase. Stable economic growth and increasing purchasing power have driven rapid development in the Indonesian automotive industry. The rapid growth of the automotive sector in Indonesia is reflected in the expansion of production capacity and the introduction of sophisticated technologies such as electric vehicles. The automotive industry in Indonesia offers various product variants such as transportation. One of the means of transportation that we often encounter is a motorbike that is used by many people and is very important. In addition, motorbikes can also help people to carry out activities and as an efficient means of transportation in supporting people's daily activities.

PT Astra Honda Motor is a pioneer in the motorcycle industry in Indonesia which was founded in 1971. PT Astra Honda Motor products, such as Vario, Beat, PCX, Supra X, Revo, to CBR. In 2010, PT Astra Honda Motor introduced One Heart as the company's philosophy, reflecting the deep connection between riders and their motorcycles. PT Astra Honda Motor announced the gradual implementation of Fuel Injection Technology (PGM-FI) on all Honda vehicles starting in 2011. PT Astra Honda Motor only produced and marketed motorcycles

with injection technology in 2013, but because demand for Honda motorcycles increased, they built a fourth factory in Karawang in 2014. A factory with the latest technology in the world.

The increasing demand for Honda motorcycles encouraged PT Astra Honda Motor to build a fourth factory in Karawang in 2014. The factory that applies the world's leading technology experienced an increase in production capacity, so that the total production capacity of PT Astra Honda Motor increased to 5.3 million units per year in 2015. In that year, PT Astra Honda Motor also recorded the production of 50 million motorcycles, the first achievement in the motorcycle industry in Indonesia and even ASEAN. PT Astra Honda Motor also began marketing a range of Honda big bikes equipped with premium services. In the same year, PT Astra Honda Motor successfully entered the overseas motorcycle market by making its first export of Honda Beat to the Philippines. This export has now spread abroad, from Asia to America. In 2019, for the first time PT Astra Honda Motor introduced an electric technology-based product through the Honda PCX Electric. Currently, consumer demand for motorcycles is increasing day by day, with high public interest can lead to tight competition between automotive companies, so automotive companies must have a good enough strategy in increasing competition. The reason for creating new products that can attract consumer attention.

Based on data from AISI (Indonesian Motorcycle Industry Association), it was obtained that around 78 percent of two-wheeled motorcycles sold in Indonesia during 2023 were Honda branded. This 78 percent value represents 4.86 million Honda motorcycle units sold during 2023, so the remaining 1.3 million were Yamaha, Kawasaki, and others. The trend of motorcycle sales will also continue to increase in 2024, that there were 592,658 units and 558,685 units in February of Honda motorcycles that had been sold in Indonesia. In total, from January to February alone, 1.1 million Honda motorcycle units were purchased by various groups of people in Indonesia. So by looking at the various data above, it can be said that Honda motorcycles still dominate the two-wheeled motorcycle market in 2023-2024 comparing with other principles.

Honda always sells motorcycles that have unmatched quality and have maximum value when associated with goods produced by competitors. Honda offers many types and designs of motorcycles to various consumers from various circles according to their needs. So that consumers can decide to make a purchase decision.

PT Astra Honda Motor offers a variety of motorcycle product variants that cover various segments, from scooters to sport bikes. In the automatic segment, Honda has popular models such as the Honda Beat, Genio, Vario, and Scoopy which are known for their stylish design and fuel efficiency. For the sport bike segment, Honda offers models such as the CBR and CB150R which stand out with their high performance and speed. In addition, there are also cub bikes such as the Supra and Revo which are suitable for daily needs. Each Honda motorcycle variant is designed with the latest technology to provide comfort, safety, and efficiency in driving.

However, competition between motorbike manufacturers encourages PT Astra Honda Motor to continue to innovate and provide good service, so it needs to make various breakthroughs and improvements to win the competition. In several previous studies, it was stated that consumer decisions in purchasing products are influenced by several factors,

including price, brand image, product quality and several other aspects. So PT Astra Honda Motor needs to know more to pay attention to this problem.

This research will discuss the influence of price, brand image and quality on the decision to purchase a Honda motorbike by conducting a survey of 264 respondents.

### METHOD

According to Ansori (2020, p.115) something that is subject to research or something that is studied. In quantitative research, the object of research is the variable being studied. The object of research in this study is Honda Motor at Anugrah Kencana Motor Palembang which is related to the factors of Price, Brand Image, Product Quality and Location on Purchasing Decisions.

According to (Yunus 2023, p.64) The subject of research is the entire subject of research in/from a study. The subject of research in this study is consumers who make a one-time purchase of a Motorcycle product at the Honda Dealer at Anugrah Kencana Motor Palembang.

According to (Kasmir 2022, p.182) Sample is part of the population that is used as data in research. The sample criteria are consumers who have purchased Honda motorcycle products at Anugrah Kencana Motor Palembang. The sampling technique used in this study is Non-Probability Sampling.

Several provisions in determining sample size according to Slovin According to (Kasmir 2022, p.191) Determining the approach regarding the number of samples that takes into account tolerance for errors that may occur in the sampling process. The tolerance value is set at 5% because the population is less than 1000, so the error rate used is 5% of the Honda motorcycle product purchase data. Thus, the number of samples taken is 264 people.

### RESULTS AND DISCUSSION

Table T

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	3.798	1.516		2.505	.013
	Price	.031	.062	.030	.504	.615
	Brand Image	.158	.059	.162	2.702	.007
	Product Quality	.207	.039	.338	5.366	.000

The results of this study state that the Price variable does not influence the purchasing decision variable at Anugrah Kencana Motor, this can be seen from the fact that Price has a sig value of 0.615 > 0.05 and t count of 0.504 < 1.651, so there is no influence between the price variable and the purchasing decision variable partially.

The results of this study state that the Brand Image variable has a significant effect on the purchasing decision variable at Anugrah Kencana Motor with significance in this study

based on the results of the partial test, there is a positive and significant influence between the brand image variable and the consumer purchasing decision variable. Brand image has a sig value of  $0.007 < 0.05$  and t count of  $2.702 > 1.651$ , so there is a positive and significant influence between the brand image variable and the purchasing decision variable partially.

The results of this study state that the Product Quality variable has a significant effect on the purchasing decision variable at Anugrah Kencana Motor with significance in this study based on the results of the partial test (t-test), there is a positive and significant influence between the product quality variable and the purchasing decision variable. Product quality has a sig value of  $0.001 < 0.05$  and t count of  $5.366 > 1.651$ , so there is a positive and significant influence between the product quality variable and the purchasing decision variable partially.

**Table F**

		ANOVA <sup>a</sup>				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	119.660	4	29.915	20.922	.000 <sup>b</sup>
	Residual	370.324	259	1.430		
	Total	489.985	263			

Based on the results In Tab F, it can be seen that the F count value is  $20.922 > F$  Table with a significance of 0.001 and F Table of 2.25 and with a significance of  $0.001 < 0.05$  and the F count value of  $20.922 > 2.25$ . This shows that the F count is greater than the F Table, so it can be concluded that the value of the Price, Brand Image, Product Quality and Location variables have a simultaneous effect on the Purchase Decision variable.

**Table R<sup>2</sup>**  
**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.494 <sup>a</sup>	.244	.233	1.19575

Based on the results of the R<sup>2</sup> table, it shows that there is a relationship between the purchasing decision variable and the four independent variables, because the adjusted R square value has a value of 0.233 which shows that the variables of price, brand image, product quality, and location are able to influence the purchasing decision variable by 23.3% while the remaining 76.7% is influenced by other factors that were not examined in this study.

**CONCLUSION**

Based on the data analysis results, it can be concluded that purchasing decisions for Honda motorbikes at Anugrah Kencana Motor Palembang are influenced by several key factors. 1) **Brand image and product quality** have a significant influence on purchasing decisions. This

means that the better the perceived brand image and product quality, the more likely consumers are to make a purchase. 2) **Price does not have a significant impact** on purchasing decisions. This indicates that consumers may prioritize other factors, such as brand image and product quality, over price when choosing a Honda motorbike. 3) **Simultaneously (F-test), all independent variables have a significant effect** on purchasing decisions. In other words, while price may not have a direct impact, the combination of brand image, product quality, and price still plays a role in influencing consumers' final decisions.

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