THE EFFECT OF PERCEIVED VALUE AND CONSUMER INNOVATIVENESS ON PURCHASE DECISIONS MEDIATED BY BRAND IMAGE AT ERHA BEAUTY CLINIC JAMBI

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Abstract

This resea aims to analyze the effect of perceived value, consumer innovativeness on purchase decisions with Brand Image as a mediating variable. This research is a type of field research with a quantitative approach in the form of associative. The samples are 135 respondents, namely customers who visit Erha Beauty Clinic Jambi. The data used are primary data and secondary data. The analysis uses PLS model by assessing the outer model and inner model. The results conclude that perceived value and consumer innovativeness affect purchase decisions, brand image mediates the relationship between perceived value and purchase decisions, and brand image also mediates the relationship between consumer innovativeness and purchasedecisions.

Keywords: Perceived Value, Consumer Innovativeness, Brand Image, Purchase Decision

Introduction

In modern life as it is today, beauty and appearance are important concerns. Every individual has a high awareness to pay attention to appearance. People are starting to compete to seek for and use skin care products to support their appearance, especially facial skin, which has led to the emergence of many skin care products and beauty care sites. Basically, consumers will buy a product that can satisfy their desires not only in physical form, but also the benefits of the products.

Erha Skin Care Beauty Clinic is a treatment clinic located in many cities. Since its establishment on September 28, 1999, Erha has continued to position itself as a clinic that provides leading, innovative solutions for various skin problems from head to toe. With the increasing number of lifestyle clinics in terms of competitors, Erha also wants to invite the public that Erha is not only a skin care and beauty clinic, but also provides treatment for general skin problems. A series of awards are also proof that Erha is accepted in the community and solves skin problems. Skin is an important part of a person's appearance that will lead to self-confidence. As the best skin clinic, Erha believes that everyone has the right to have healthy skin. (https://erhaultimate.co.id/, 2022)

The awards are, among others, from WOW Brand, Indonesia, Most Innovative Business Award, Best Outstanding Corporate Innovator Award, Corporate Image Award, Top Brand, Service Quality Award, and finally the Indonesian Original Brand Award, which was received last August 2018. By seeing the opportunity for increasing public demand for white and bright skin, Erha has started competing to offer a variety of products to consumers. Erha Skin Care products include cleansing, sunblock, brightening, moisturizer, and body soap. Another distinction that Erha Clinic (Klinik Erha) has is that it presents two treatment solutions. First, focus on the specific needs of each customer, and second, provide beauty care products sold over-the-counter without a doctor's prescription.

In the city of Jambi, there is also an Erha Beauty Clinic, that from 2019 to 2020, there has been a decrease in visitors, from 5,162 to 4,623. From the results of the initial interview, it was found that this phenomenon occurred because of the emergence of many new competitors, so customers were willing to try, especially when lured by tempting advertisements.

Swastha and Irawan (2008), purchaseg decisions are consumers' understanding of the wants and needs for a product by assessing existing sources by setting purchase goals and identifying alternatives, so decision makers to buy are accompanied by behavior after making a purchase. Consumer purchase decisions can be seen as a process where consumers will evaluate products by looking at the strength of various product attributes and the images possessed by the products (Oghojafor, B. E. A., Muo, F. I., & Aduloju, S. A., 2012).

The value that the consumers feel when evaluating all the benefits of a product, service, or understanding as much as what is obtained from what is provided. Perceived value is an important factor in the process of achieving consumer purchase decisions, and consumers will buy products with high values if felt to have more values. The higher the perceived value of the consumer, the higher the consumer purchase intention, which means that perceived value has a positive effect on buying interest (Chi, C. G., & Gursoy, D., 2009).

Individuals with a high level of innovation are relatively bolder and more willing to try new products. The higher the level of innovativeness the consumers have, the more positive they will be in making purchase decisions. Innovativeness is the degree or level to which an individual adopts a new idea earlier than others in the social community (Rogers, E. M., & Shoemaker, F. F. (1971).

The image of a brand can affect consumers in choosing a product to meet their needs and desires. The fact that every product purchase has a risk makes consumers want to first seek information to minimize the risk. Aaker, D. A., (1996), states that brand image is an important part of a strong brand.

Many studies related to the perceived value of consumer innovativeness, brand image, and purchase decisions have been carried out, among others, by Trimaryani, D., Banani, A., & Setyanto, R. P. (2019), Fikriando, E., & Syafrizal, S. (2020) , Wicaksono, P. U., & Mudiantono, M. (2017). However, research that combines the variables of perceived value, consumer innovativeness, brand image, purchase decisions and conducted at the Erha Jambi Beauty Clinic has never been carried out before. Therefore, this research is interesting to do

Literature Review

Perceived value is a consumer assessment that is carried out by comparing the benefits to be received with the sacrifices incurred for a product (Sweeney, J. C., & Hauscknecht, D. Dan Soutar, Geoffrey N., 2000). Parasuraman, A., & Grewal, D. (2000), define perceived value as a dynamic construct consisting of four types of value, namely acquisition value, transaction value, in-use value, and redemption value. According to Sweeney, J. C., & Hauscknecht, D. Dan Soutar, Geoffrey N. (2000), the perceived value dimension consists of four main aspects, namely feelings (emotion value), social concept (social value), quality (performance value) and cost or price (value of money).

Manning, K. C., Bearden, W. O., & Madden, T. J. (1995), suggests that consumer innovativeness is defined as the inherent new search and is defined as the desire to seek something new and different. Consumer innovativeness, according to Roehrich, G. (2004), is defined as a concept that represents consumers to buy new products and consider new ideas. There are 3 dimensions used to measure consumer innovativeness according to Tellis, G. J., Yin, E., & Bell, S. (2009) namely novelty seeking, stimulus variation, and variety seeking.

Brand image according to Kotler and Armstrong, (2012) is a set of consumer beliefs about a particular brand. Bilson Simamora, (2005) revealed that the brand has an image (brand image) and to facilitate the description of the image, consumers do brand associations. According to Pitta, D. A., & Katsanis, L. P. (1995) identifying the variable brand image is formed from three dimensions, namely uniqueness, favorable, and strength.

Peter and James (2004) state that purchase decision is a process in which consumers make decisions to buy various products and brands, starting with need recognition, information search, information evaluation, making a purchase, and then evaluating the decision after buying. There are five stages of the consumer buying decision process level model, namely problem recognition, information seeking, evaluation of alternatives, purchase decisions, and post-purchase behavior

Kotler and Armstrong (2012) state that purchase decisions are stages in the buyer decision-making process where consumers do buy. Purchase decisions, according to Kotler and Keller (2012), are based on considerations of brand choice, dealer, quantity, timing, and payment method.

Methods

The research that will be carried out by the author is a field research. This research uses a quantitative approach in the form of associative. The subject of this research is the people in Jambi, and the object of research is all consumers of the products of Erha Clinic Jambi. The independent variables in this study are perceived value (X1) and Consumer innovativeness (X2), Brand Image (M), and purchase decisions (Y). The research population is all visitors to Erha Beauty Clinic Jambi, while the samples are 135 people. Collecting data method is by means of library research and field observations with questionnaires. Sources of data are from primary data and secondary data. The data analysis method uses descriptive analysis and statistical analysis with component-based Structured Equation Modeling (SEM) using PLS

Result and Discusssion
Characteristics of Respondents

Users of Erha products or treatments are dominated by those aged 24-29 years with a total of 48 people or 35.5%. Gender is dominated by women, as many as 81 people or 60%. The status is dominated by students and/or students of university, of 38 people or 28.1%. Sources of information known to respondents are friends with respondents as many as 80 people or by 60.7%. If it is based on visits to clinics for doctor consultation, doing treatment and buying products, of 105 people or 77.8%. While based on the frequency of visits as many as 46 people or 34.1%.

Description of Research Variables

The average value for the perceived value and consumer innovativeness variables is 3.84, and is included in the high category, so it can be concluded that the Erha Clinic's perceived value and consumer innovativeness have been implemented properly. The average value for the brand image variable is 4.18 and is included in the high category, so it can be concluded that visitors are satisfied with the various service facilities provided. The average value for the purchase decision variable is 4.44 or in high category.

Results of Outer Model Estimation

Measurement of discriminant validity by looking at the value of the Square Root of Average Variance Extracted (AVE) for each construct. If the AVE value for each construct is greater than 0.50, the AVE value for each construct can be seen in the following table:

Table 1. The AVE Value in Each Construct (Research Variable)

No	Construct	AVE
1	Brand Image	0,580
2	Perceived Value and Consumer Innovativeness	0,521
3	Purchase Decision	0,907

Source: Results of Primary Data Processing, 2022

Based on the AVE value of each construct in the table above, it can be known that the value is greater than 0.50, which means that each of these constructs has a good discriminant validity value.

Internal consistency reliability test is measured by two criteria, namely composite reliability and Cronbach alpha. The construct is declared valid if the composite reliability and Cronbach alpha are > 0.60 (Ghozali & Latan, 2015). Composite reliability values can be seen in the following table:

Table 2. Results of Composite Reliability Measurement

No	Variables	Composit Reliability
1	Brand Image	0,879
2	Perceived Value and Consumer Innovativeness	0,886
3	Purchase Decision	0,951

Source: Results of Primary Data Processing, 2022

The output of Cronbach alpha shows that the variables of brand image, perceived value and consumer innovativeness, and purchase decisions have a measurement value above 0.60. Therefore, it can be stated that the variables of brand image, perceived value and consumer innovativeness, and purchasing decisions have good reliability values.

Table 3. R-Square Value

Construct Variable	R-Square
Brand Image	0,581
Purchase Decision	0,479

Source: Results of Primary Data Processing, 2022

Based on Table 3, it can be seen that the influence model between perceived value and consumer innovativeness with brand image is 0.581, which means that the brand image variable can be explained by the perceived variable and consumer innovativeness by 58.1%, while 41.9% is affected by other variables not employed in this research.

The influence model between perceived value and consumer innovativeness variables with brand image on purchase decisions gives an R-square of 0.479, which means that the purchase decision variable can be explained by the perceived value and consumer innovativeness variables with brand image of 47.9%, while 52.1% is affected by other variables not used in this research.

Direct Effect Testing

The following is a table of the results of hypothesis testing obtained from the path coefficient table:

Table 4. Results of Direct Effect Testing

Variables	Original Sample (O)	Sample Mean (M)	(STDEV)	T Statistic	P Value	Remark.
Perceived value and consumer innovativeness => brand image	0,762	0,771	0,040	17,963	0,000	Significant
Perceived value and consumer innovativeness => purchase decision	0,372	0,182	0,180	2,066	0,019	Significant
brand image => purchase decision	0,543	0,540	0,172	3,168	0,002	Significant

Source: Results of Primary Data Processing, 2022

Based on Table 4, it can be known that:

1. Testing the effect of perceived value and consumer innovativeness with brand image produces a parameter of 0.762, and the t statistic value of 17.963 is greater than the t table, namely of 1.65 with a significant level of p-value = 0.000 (<0.05). These results indicate that the effect of perceived value and consumer innovativeness on brand image is positive and significant, so H1 gets support from empirical data and provides support that perceived value and consumer innovativeness have a positive and significant effect on brand image.

2. Testing the effect of perceived value and consumer innovativeness on purchase decisions produces a parameter of 0.372 and the t statistic value of 2.066 is greater than the t table, namely of 1.65 with a significant level of p-value = 0.019 (<0.05). These results indicate that the effect of perceived value and consumer innovativeness on purchase decisions is influential, so H2 gets support from empirical data and shows that perceived value and consumer innovativeness have an effect on purchase decisions.

3. Testing the effect of brand image on purchase decisions produces a parameter of 0.543 and the t-statistic value of 3.168 is greater than the t-table, namely of 1.65 with a significant level of p-value = 0.002 (<0.05). These results indicate that the effect of brand image on purchasedecisions is positive and significant, so H3 gets support from empirical data and provides support that brand image has a positive and significant effect on purchase decisions.

Indirect Effect Testing

The testing results can be seen in the following table;

Table 5. Results of Indirect Effect

Variables	Original Sample (0)	Sample Mean(M)	STDEV)	T Statistic	P Value	Rem.
Perceived value and consumer innovativeness => brand image => purchase decision	0,414	0,418	0,138	3,002	0,003	Signifikan

Source: Results of Primary Data Processing, 2022

Based on Table 5, it can be obtained the indirect effect test results that testing the effect between perceived value and consumer innovativeness on purchase decisions through brand image as a mediator produces a parameter of 0.414, and the t statistic value of 3.002 is greater than the t table, namely of 1.65 with a significant level of p- value = 0.003. These results indicate that the effect of perceived value and consumer innovativeness on purchase decisions mediated by brand image is positive and significant, so H4 gets support from empirical data, which means that perceived value and consumer innovativeness have a positive and significant effect on purchase decisions mediated by brand image.

Discussion
The Effect of Perceived Value and Consumer Innovativeness on Brand Image

From this research, it is found that perceived value and consumer innovativeness have an effect on brand image. The perceived value of the brand image seen by consumers is that Erha Clinic Jambi has a good brand image, namely with the purchase of products and treatments often done by consumers. Consumers usually return to the Erha Clinic Jambi to do beauty treatments or buy more beauty products.

The consumer innovativeness provided by Erha Clinic Jambi in the form of ingredients used by this beauty clinic are good ingredients for consumers to use. Erha Clinic is safe for consumers to use because the treatments at Erha Clinic Jambi use safe and not harmful ingredients to the skin. While using beauty products, Erha Clinic promises to keep the skin healthy and well-groomed by using beauty products, as long as consumers are consistent in using the product or doing beauty treatments.

If associated with the theory of perceived value according to Kotler and Keller (2012), perceived value is the difference between the customer's evaluation of all perceived benefits and all costs incurred. Perceived value refers to consumers' evaluations of products and services. Consumers emphasize that the benefits received from a product or service are the most important component in value and are the quality received by consumers according to the price paid. Brand image plays a very important role in the consumer decision-making process. It is very important for companies to know the consumer decision-making process and identify the conditions in that process (Piercy, N. F., Cravens, D. W., & Lane, N., 2003). Consumer innovativeness is one of several very important concepts related to consumer behavior. In general, consumer innovativeness is defined as the tendency of consumers to adopt new products (Tellis, G. J., Yin, E., & Bell, S., 2009). Therefore, in this study consumers get the quality of services or products according to quality and price by seeing the desired service or product is a good service or product as seen by other consumers regarding Erha Clinic Jambi.

The Effect of Perceived Value and Consumer Innovativeness on Purchase Decisions

This research provides the results that perceived value and consumer innovativeness affect purchase decisions. The effect of perceived value on consumer purchase decisions is seen from the value that exists in the product or treatment that Erha Clinic Jambi provides to consumers, such as the price that matches the treatment or beauty products received by the consumers. Consumers feel that Erha Clinic Jambi is a trusted beauty clinic to have beauty treatments, and it has beauty products that are safe for consumers to use. The perceived value obtained by consumers greatly affects purchase decisions, namely consumers are interested in using the product or doing treatment at the Erha Clinic Jambi resulting from the recommendations from social media and other people.

Consumer innovativeness is a condition that describes certain individuals who are open to new ideas and new things related to certain products or services. Midgley, D. F., & Dowling, G. R. (1978) state that consumer innovativeness can be seen in actualized and innate ways. Consumer innovativeness also affects consumers in purchasiedecisions. Erha Clinic Jambi always brings up the latest innovations for consumers such as having beauty treatments from face, hair to body that are offered to consumers.

Decision making according to Baron, R. A., Branscombe, N. R., & Byrne, D. E. (2008) is a process through a combination of individuals or groups and the integration of existing information with the aim of choosing one from various possible actions. If associated with this theory, the decision making by consumers of the Erha Clinic Jambi is in accordance with the intents of consumers seeing price and quality, so the purchase of products or services occurs.

The Effect of Brand Image on Purchase Decisions

From this research, the brand image at Erha Clinic Jambi has an effect on purchase decisions because the formed brand image is already known by the public with good by the products and treatments and is in accordance with the economic conditions of middle and upper class consumers. Erha Clinic has good reputation among the public since 1999, starting from facial skin care, scalp care, to body skin care. Brand image has an important role in the consumer decision-making process. It is very important for companies to know the consumer decision-making process and identify the conditions in that process (Piercy, N. F., Cravens, D. W., & Lane, N., 2003). The role of the brand on the quality of a product or service is that brand is not only a symbol, but can also give the meaning that the product has a certain value or quality (Pepadri, I., 2002).

In this study, it is clear that the brand image of the Erha beauty clinic has become a trend among consumers with a good reputation. Therefore, brand image greatly affects purchasedecisions by consumers.

If associated with theory according to Kotler and Keller (2012), brand image is the perception and belief made by consumers as reflected in association occuring in consumer memory. A strong brand image can provide a major advantage for banks, one of which can create a competitive advantage. The brand image at the Erha Clinic Jambi is very well known by the public.

The Effect of Perceived Value and Consumer Innovativeness on Purchase Decisions through Brand Image as a Mediating Variable

This research found that the effect of perceived value and consumer innovativeness on purchase decisions through brand image as a mediator. This means that the perceived value and consumer innovativeness perceived by consumers is good and can be enjoyed by all consumers, so consumers with no hesitation make product purchase decisions or perform beauty treatments. Consumers are satisfied with the products and treatments provided by Erha Clinic, so consumers make repeat purchases and re-treatment, and consumers will tell about their experiences choosing Erha Clinic, doing treatment, and buying beauty products.

Overall, the perceived value and consumer innovativeness given by the Erha Clinic Jambi have a significant effect on purchase decisions through brand image.

Conclusion

Perceived value affects the purchase decisions made by consumers because they believe and prove by themselves that Erha Clinic Jambi is a good and trusted beauty clinic in the city of Jambi. Consumer Innovativeness affects consumer purchase decisions because Erha Clinic Jambi provides quality products or services in the form of ingredients, which are good for the skin and safe to use for consumers while using the beauty products. Erha Clinic promises to keep skin healthy and well-maintained by using products or treatments in a consistent manner. Brand Image greatly mediates the relationship between perceived value and purchase decisions because the brand image at Erha Clinic Jambi is well known by its consumers, so they believe in the products or services provided. Brand Image mediates the relationship between consumer innovativeness and purchase decisions because consumers are in trust and believe that the Erha Clinic Jambi brand image, which is well known to the public with safe products to use for consumers, will not disappoint the consumers. As a result, consumers continue to repurchase products or perform treatment.

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