



The Role of Discount Framing, Brand Reputation and Brand Image on Purchase Intention

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ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh Discount Framing, Brand Reputation dan Brand Image terhadap Purchase Intention (studi pada pengguna Zalora di Kota Padang). Populasi dalam penelitian ini adalah masyarakat yang berminat untuk membeli atau menggunakan produk Zalora di Kota Padang. Penelitian ini melibatkan 198 responden sebagai sampel. Pengumpulan data dilakukan dengan menyebarkan kuesioner online, dan data diolah menggunakan software SmartPLS. Hasil penelitian ini menunjukkan bahwa (1) Discount Framing berpengaruh positif dan signifikan terhadap Purchase Intention (2) Brand Reputation berpengaruh positif dan signifikan terhadap Purchase Intention (3) Brand Image berpengaruh positif dan signifikan terhadap Purchase Intention.

ABSTRACT

This research aims to analyze the influence of Discount Framing, Brand Reputation and Brand Image on Purchase Intention (study of Zalora user in Padang City). The population in this study were people who have interested to purchased or used a product of Zalora in Padang City. This research involved 198 respondents as samples. Data collection was carried out by distributing online questionnaires, and data was processed using SmartPLS software. The findings of this research indicate that (1) Discount Framing has a positive and significant effect on Purchase Intention (2) Brand Reputation has a positive and significant effect on Purchase Intention (3) Brand Image has a positive and significant effect on Purchase Intention.

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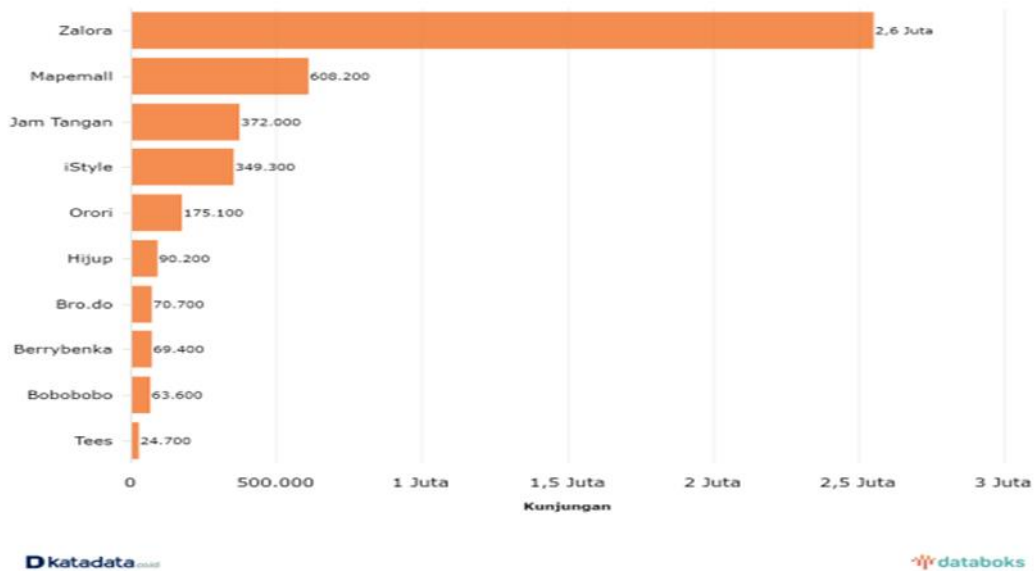
INTRODUCTION

Online stores or also known as e-commerce are growing rapidly in Indonesia. This fact is expected to have more benefits for improving digital economic equity. As Indonesia is one of the largest e-commerce markets in Southeast Asia, shopping online has become a habit for many people. Data collected by Hootsuite and Wearesocial shows that around 90% of Internet users in Indonesia have shopped online. Along with the changes that occurred during the covid-19 pandemic that pushed almost the entire

Indonesian population to use e-commerce, Indonesia's e-commerce market continues to gain attention year after year. Especially in 2024, there are more and more online stores in various applications.

The rise of online stores has also helped the advancement of fashion trends across Indonesia. Fashion trends in Indonesia are also accompanied by trends that are developing in West Sumatra, especially in Padang City. Due to the many opportunities offered by online sales, the online fashion business in Padang City is growing. Online clothing manufacturers are clearly interested in this topic to improve their brand reputation to be better known by the public.

The author chose Zalora as the subject of his research. Because Zalora is one of the famous online stores in Indonesia. Zalora Group was established at the end of 2011, and Zalora Indonesia is part of it. More than 500 local and international brands are included in this online fashion catalog.



Source: iPrice, November 2021

Figure 1. Visit Data E-Commerce in 2021

Based on this data, it can be concluded that Zalora Indonesia is a fashion online store with the highest number of monthly site visitors, which reached 2.6 million visits in the third quarter of 2021. Companies in the e-commerce industry engaged in online fashion must understand the wants and needs of today's consumers. Buyers' interest in goods or services and a sense of wanting to own these goods or services is called Purchase Intention or purchase intention, which is measured by the level of likelihood of the buyer to make a purchase. Zalora offers a wide range of fashion products that match the wants and needs of today's consumers, ranging from formal and informal clothing, hijab accessories, shoes, and casual bags.

Discount framing is a marketing technique that can influence customer purchase intentions. The way a business provides a discount or price reduction to customers can affect how customers see the value of the goods or services and how much they intend to buy them.

Brand reputation can influence buyer intentions. If consumers have a positive perception of the brand, they are more likely to purchase goods or services from that brand. Because they think that the product or service has a guaranteed image.

In addition, to meet customer needs, one of them is that consumers see the brand image that exists or is shown on the e-commerce website. Zalora should show the strengths that exist on its website by offering high-quality products that have been made in-house. Consumers may be interested in buying goods or services because of the things they feel and think when they see or hear the brand name. Brand Image is a picture or perception that customers have about a brand.

The following are some previous studies which state that buyer intention can be influenced by several variables, including the variables Discount framing, Brand reputation, Brand image. According to research (Nabella Shakti & Zuliarni, 2019), based on his research, it states that there is a positive and significant effect on Discount Framing on purchase intention. Further research is supported by (Abdillah et al., n.d.) which states that brand reputation has a positive and significant effect on purchase intention. Then the next research by (Marmita & Rubiyanti, 2016) which in his journal states that brand image has a significant effect on buyer intentions.

It's just that some of these studies have not used these three variables simultaneously in one study. The advantage of this research is that this research factors into consumer purchase intentions for products in the Zalora shopping application by looking at Discount Framing, Brand Reputation, and Brand Image.

By comparing what factors influence fashion purchase intentions at Zalora, therefore the authors are interested in reexamining by digging up further information with a different research framework and different research objects regarding Discount Framing, Brand Reputation, and Brand Image on buyer intentions. So, Based on the problems above, the author is interested in discussing this research further, so the author recommends a thesis proposal with the title "The Influence of Discount Framing, Brand Reputation and Brand Image on Purchase Intention (study of Zalora user in Padang City)".

LITERATUR REVIEW

Purchase Intention

Purchase intention is a crucial characteristic that assesses the possible course of action that a consumer may decide to take (Agmeka et al., 2019). So the indicators used in this research to improve purchase intention are:

1. Intend to buy a product
2. Recommend the products to friend
3. Visit Zalora when doing online shopping
4. Purchasing products to be worthwhile
5. Intend to keep purchasing product

Discount Framing

Discount framing is the way a product's pricing is presented to potentially sway customers' decisions. Based on research conducted by (Agmeka et al., 2019). Indicators of discount framing are as follows:

1. Give discounts on the products they sell
2. Do not give discounts on the products they sell
3. Gives cheaper price rather than the physical store's
4. E-commerce that offers affordable prices

Brand Reputation

Brand reputation describes how consumers feel about a reputable and trustworthy brand (Agmeka et al., 2019). Indicators of brand reputation is measured using 5 indicators, namely:

1. Trustworthy
2. Reputable
3. Honest claim
4. Reliable
5. Know how looks like

Brand Image

Brand image is describe as a consumer perception in their memory about brand that reflected as brand association. According to (Agmeka et al., 2019) brand image has several indicators, namely:

1. Has differentiated image in comparison with the other e-commerce
2. Ordering by phone makes me interested to use P2P online transportation
3. Has a clean image
4. A well-established e-commerce
5. Zalora arouses my sympathy to purchase the product

Conceptual Model and Hypotheses

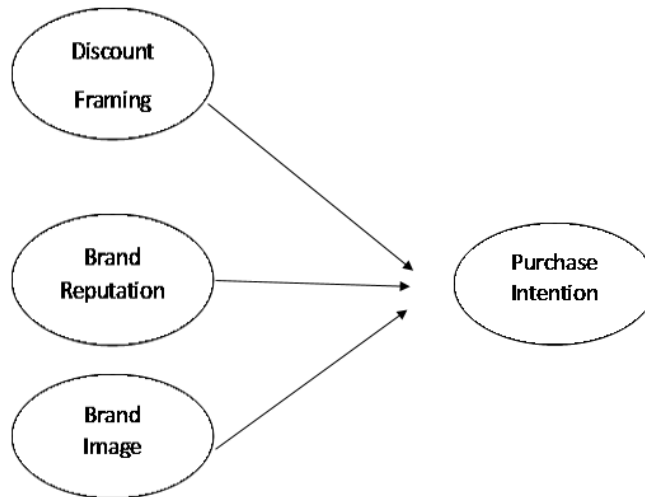


Figure 2. Conceptual Model

Hypothesis

H1: Discount Framing has a positive and significant effect on Purchase Intention of Zalora users in Padang City.

H2: Brand Reputation have a positive and significant effect on Purchase Intention of Zalora users in Padang City.

H3: Brand Image has a positive and significant effect on Purchase Intention of Zalora users in Padang City.

METHOD

Research Approach

This research studies The Influence of Discount Framing, Brand Reputation and Brand Image on Purchase Intention (study of Zalora user in Padang City)

Population and Sample

Population is an important component that must exist in every scientific study. Population (Sugiyono, 2012), represents the region of generalization, which consists of things or topics with specific attributes and characteristics chosen by the researcher to be investigated and from which inferences will be made.

The type of research applied is quantitative research. Quantitative data is a data model that is measured or calculated directly with information as measured by numbers (Sugiyono, 2016). The primary data source in this study is data obtained from questionnaires filled out by research samples from predetermined populations. The total sample used in this study was 198 samples. This research uses non-probability sampling technique. The style of data collection used in this study was in the form of a questionnaire which was measured using a Likert Scale. Data analysis used in this research is SmartPLS 4.0 software.

The data that has been collected through the questionnaire will be analyzed using the Structural Equation Modeling (SEM) method with the Partial Least Square path modeling (PLS) type. Furthermore, the data will be analyzed using SmartPLS 4. PLS software which can simultaneously test the measurement model and variant-based testing model. According to Ghozali and Latan (2015) in the book Hamid & Anwar (2019) the purpose of PLS-SEM is to develop theory or build theory (predictive orientation). PLS is used to explain whether there is a relationship between latent variables (predictions). PLS is a powerful analytical method because it does not assume the data must be of a certain scale of measurement, the number of samples is small.

The data analysis mode in this study is divided into two, namely descriptive analysis and inferential analysis.

RESULTS AND FINDING

In this study employs multivariate analysis in conjunction with structural equation modeling (SEM). SEM is a technique used to analyze unobserved variables (variables that cannot be measured) and calculate measurement errors. The SEM approach is used in this study and is based on Partial Least Squares (SEM-PLS). This method is used with small sample sizes. The SEM-PLS method is a type of causal modeling that aims to maximize the criteria for the variation of the latent variable that can be explained by the predictor. The SmartPLS software was used for the analysis.

The validity and reliability of the instrument being tested were assessed during the test of the test measurement model (outer model). The validity test is performed to demonstrate the extent to which the measuring instrument is capable of measuring what is desired. The purpose of the validity test is to measure the quality of the instrument and demonstrate the instrument's validity, as well as how well a concept can be defined by the measure (Hair et al. 2018). The validity test is based on convergent validity, which requires that the factor loading be greater than 0.7 and the average extracted variance (AVE) be greater than 0.5. This study's validity test is the minimum value for construct validity test. Table 1 shows the results for the outer loading:

Table 1. Output Outer Loading

DF(X1)	BR(X2)	BI(X3)	PI(Y)
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DF.1	0.921		
DF.3	0.872		
BR.1		0.758	
BR.2		0.823	
BR.3		0.816	
BR.4		0.853	
BR.5		0.762	
BI.1			0.731
BI.2			0.781
BI.4			0.831
BI.5			0.802
PI1			0.841
PI2			0.793
PI3			0.825
PI4			0.820
PI5			0.820

Source: Primary Data 2024

Based on the table above, the indicators that have a value below 0.7 and the Brand Image 1 indicator has the smallest value, the Outer Loading value of all variable indicators is greater than 0.7, so the convergent validity of all indicators is said to be valid.

Table 2. Output AVE

	Average variance extracted (AVE)
Discount Framing (X1)	0.805
Brand Reputation(X2)	0.645
Brand Image (X3)	0.620

Source: Primary Data 2024

According to Table 2, if the AVE value of all variables is greater than 0.5, the convergent validity is said to be valid.

Table 3. Cross Loading Model

	DF(X1)	BR(X2)	BI(X3)	PI(Y)
DF.1	0.921	0.560	0.638	0.683
DF.3	0.872	0.439	0.506	0.543
BR.1	0.445	0.758	0.447	0.494
BR.2	0.475	0.823	0.507	0.554
BR.3	0.468	0.816	0.501	0.524
BR.4	0.461	0.853	0.526	0.563
BR.5	0.411	0.762	0.454	0.470
BI.1	0.468	0.451	0.731	0.506
BI.2	0.515	0.427	0.781	0.495

BI.4	0.553	0.536	0.831	0.543
BI.5	0.491	0.493	0.802	0.557
PI1	0.590	0.573	0.576	0.841
PI2	0.534	0.516	0.509	0.793
PI3	0.625	0.551	0.565	0.825
PI4	0.546	0.516	0.551	0.820
PI5	0.528	0.503	0.534	0.820

Source: Primary Data 2024

Table 3 shows that the variable's score (correlation) to the indicator is higher than the variable's score (correlation) to other indicators. It can be concluded that all of the indicators tested in the study have discriminant validity.

Table 4. Cronbach Alpha

	Cronbach's alpha	Composite reliability	Keterangan
DF(X1)	0.761	0.892	Reliable
BR(X2)	0.862	0.901	Reliable
BI(X3)	0.794	0.867	Reliable
PI(Y)	0.878	0.911	Reliable

Source: Primary Data 2024

According to Table 4, indicates that the variable has good reliability or able to measure its construct. A variable is said to have sufficient reliability if the variable has a Cronbach alpha value > 0.6 and composite reliability > 0.7.

Table 5. Nilai R Square

	R-square	R-square adjusted
Purchase Intention (Y)	0.611	0.605

Source: Primary Data 2024

The table above shows that Purchase Intention can be explained by the variables Discount Framing, Brand Reputation, and Purchase Intention by 61.1%, while the remaining 38.9% is explained by other variables not included in this study.

Table 6. Path Coefficient

	Original sample (O)	T statistics (O/STDEV)	P values
DF(X1) -> PI(Y)	0.360	2.854	0.004
BR(X2) -> PI(Y)	0.289	2.287	0.022
BI(X3) -> PI(Y)	0.261	1.724	0.085

Source: Primary Data 2024

The table above shows the results of hypothesis testing based on the path coefficient value, direction of the relationship and level of significance.

1. Discount Framing has significant positive effect on Purchase Intention (H1)
Based on Table 6, the Discount Framing variable obtained a t statistics value of 2.854 with a significant value or p-value of 0.004 smaller than 0.360, so this test states that the first hypothesis is accepted, meaning that Discount Framing has a positive and significant effect on Purchase Intention.
2. Brand Reputation has significant positive effect on Purchase Intention (H2)
Based on Table 6, the Brand Reputation variable obtained a t-statics value of 2.287 with a significant value or p-value of 0.022 smaller than 0.289, so this test states that the second hypothesis is accepted, meaning that Brand Reputation has a positive and significant effect on Purchase Intention.
3. Brand Image has a not significant positive effect on Purchase Intention (H3)
Based on Table 6, the Brand Image variable obtained a t statics value of 1.724 with a p-value of 0.085 greater than 0.05 ($0.085 > 0.05$) and an original sample value of 0.261, this test states that the third hypothesis is rejected, meaning that Brand Image has a negative but insignificant effect on Purchase Intention.

DISCUSSION

This research aims to determine The influence of Discount Framing, Brand Reputation and Brand Image on Purchase Intention (study of Zalora user in Padang City). After analyzing the data using the PLS-SEM analysis technique, statistical processing results were obtained to test the research hypothesis, as follows:

1. The Influence of Discount Framing on Purchase Intention
The results showed that Discount Framing has a positive and significant effect on Purchase Intention. This shows that the more discounts provided by the company, it will provide an attraction for customers in buying products at Zalora. Therefore, Discount Framing can influence consumers' potential purchase intention to buy or use the product. Positive Discount Framing from the many discounts provided by the company will encourage potential consumers to have the intention to buy the product. According to (Kent & Mon-Roe, 1998) potential consumers will tend to use the existing discount opportunities or those provided by the company to Zalora users who are considered to have good quality, and are also widely used by the Padang City Community. In addition, good Discount Framing will generate many reasons for customers to be interested in buying products from Zalora. The results of this study are in accordance with previous research conducted (Gendall et al., 2006) that Discount Framing has a significant positive effect on Purchase Intention. Research conducted by Aldoreno also argues that Discount Framing has a positive effect on Purchase Intention.
2. The Influence of Brand Reputation on Purchase Intention
The results of this study indicate that Brand Reputation has a positive and significant effect on Purchase Intention. This is in accordance with what was studied by (Chu et al., 2005)) that a good brand reputation increases consumer confidence in the product or service offered. Consumers tend to buy products from brands they trust to reduce risk and ensure the quality of the goods they sell. Consumers will also see whether the reputation of the company is guaranteed quality. This is one of the things conveyed by (Ziaullah et al., 2017) in his research. This also makes customers care more and find out in advance the Brand Reputation of the company before buying products from the Zalora e-commerce company.
Companies that have a good reputation often have positive emotional associations with consumers. This can create loyalty and higher purchase intentions because consumers feel emotionally connected to the brand of the company. (Bang et al., 2014) state that good Brand Reputation usually reflects a high level of customer satisfaction. Satisfied customers tend to become loyal customers and this increases their Purchase Intention for future purchases.
3. The Influence of Brand Image on Purchase Intention

The results showed that the Brand Image variable had no positive and insignificant effect on Purchase Intention. In previous research submitted by (Chung et al., 2009) also stated that Brand Image has no positive and significant effect on Purchase Intention where these results are the same as those studied by the author. In contrast to the research proposed by (Lien et al., 2015) states that Brand Image is the perception of a brand that has good values stored in consumers' memories. The better the brand image, the more positive consumer attitudes towards the brand's products. In research (Aghekyan-Simonian et al., 2012) shows that Brand Image has a positive effect on Purchase Intention where they recognize the wants and needs of consumers who are influenced by their brand image. This was also found in research proposed by (Wu et al., 2011). Paul C.S. Wu also suggest that it is very important to build customer loyalty and trust, and differentiate a brand from its competitors.

Based on the explanation above, it can be concluded that Brand Image does not have a positive influence on Purchase Intention felt by customers, it can be seen from the results of data analysis using PLS that there is no statement between the Brand Image relationship which explains that the higher the company's Brand Image, the higher the Purchase Intention at the Zalora Company.

CONCLUSION

Based on the results of hypothesis testing analysis using SmartPLS software which tests The influence of Discount Framing, Brand Reputation and Brand Image on Purchase Intention (study of Zalora user in Padang City) as follows:

1. Discount Framing has a significant and positive effect on Purchase Intention. This means that companies that have a high discount will have a direct impact on the purchase intention of Zalora user in Padang City.
2. Brand Reputation has a positive and significant effect on Purchase Intention. This means that Zalora user in Padang City with good impact increase Purchase Intention from potential consumers of Zalora products. By using an attractive Brand Reputation to promote a company brand that can generate consumer interest so that it will increase Purchase Intention of Zalora products.
3. Brand Image has a not positive and significant effect on Purchase Intention. This means that Brand Image does not have a positive and significant relationship with Purchase Intention. This provides an understanding that Brand Image does not have a significant influence on Interest and Purchase intention on Zalora products.

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