THE ROLE OF REFERENCE GROUPS AS MODERATING THE EFFECT OF PRICE PERCEPTION AND PRODUCT QUALITY ON BUYING INTENTIONS OF HONDA BRAND MOTORCYCLES IN PACITAN REGENCY

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Abstract
This study aims to: (1) analyze the effect of price perceptions on purchase intentions of Honda motorbikes in Pacitan Regency, (2) to analyze the effect of product quality on purchase intentions of Honda motorbikes in Pacitan Regency, (3) to analyze reference groups to moderate the effect of price perceptions on purchase intention of Honda brand motorbikes in Pacitan Regency, and (4) to analyze the reference group moderating the effect of product quality on purchase intention of Honda brand motorbikes in Pacitan Regency. The population in this study are consumer buyers and users of Honda motorbikes in Pacitan. The sample is 100 consumers, buyers, and users of Honda motorbikes in Pacitan Regency. Sampling was done by incidental sampling. The data collection method used a questionnaire. Data analysis using multiple linear regression analysis and Moderated Regression Analysis (MRA). Based on the research results, it is known that the perception of price and product quality has a positive and significant effect on the purchase intention of Honda motorbikes in the Pacitan Regency. Meanwhile, the reference group could not moderate the effect of perceived price and product quality on purchase intention of Honda motorbikes in the Pacitan Regency.

Keywords: purchase intention, price perception, product quality, the reference group.

INTRODUCTION

Purchase intention is an interesting issue to study. This is because purchase intention is one of the important concepts in the study of consumer behavior (Suwarman, 2004; Suryani, 2013). Purchase intentions are tendencies and desires that strongly encourage individuals to buy a product (Tariq et al., 2013; Swistiani, 2014). Purchase intention is a motivational factor that drives individuals to buy certain products. Therefore, purchase intention is the best method for predicting consumer buying behavior. This is in line with the Theory of Reasoned Action (TRA) which assumes that consumer behavior is determined by consumer behavioral intentions (Aditya et al., 2017).

In this study, the model constructed is based on four variables, namely price perception and product quality as independent variables, purchase intention as the dependent variable,
the reference group as a moderating variable. The following is an explanation regarding the meaning of each observed variable.

Price perception is the first independent variable in this study. Consumers' perceptions of prices are based on interpretations of existing price differences and their interpretations of offers because the price is one of the most important factors in influencing consumers' purchase intentions (Kotler and Keller, 2009). This concept is supported by previous studies which showed research results that price perception had a positive effect on the purchase intention of a product (Haryanto et al., 2019). This means that the higher the consumer's perception of the price, the higher the consumer's purchase intention for the product.

In addition to price perception, another independent variable is product quality. This variable is defined as the ability of a product to fulfill its function (Nusarika and Purnami, 2015). This variable is important to study because consumer evaluation of product quality will help them to consider which product they will buy (Schiffman and Kanuk, 2008). Previous studies provide support for the theoretical concept which states that product quality has a positive effect on consumer purchase intentions (Anditya, 2015). This explains that the higher the quality of the product, the higher the consumer's purchase intention for a product.

Furthermore, the reference group was conceptualized as a moderating variable in this study. This variable is defined as a reference group is a group that is considered as a frame of reference for individuals in making their purchasing or consumption decisions (Schiffman & Kanuk, 2008). In previous studies, it was stated that the reference group had a significant influence on purchase intention (Anoraga and Iriani, 2013). This explains that the higher the level of a person's reference group, the higher the consumer's purchase intention for a product.

Purchase intention is the last observed variable in this study. Purchase intention is positioned as a variable that is influenced by the perception of price and product quality moderated by the reference group.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

The Influence of Price Perception on Buying Intention

Oosthuizen and Spowart (2015) state that consumers use their perception of the relative price as a way to feel the value of the product so that consumers can determine their intention to buy the product. Martinez and Kim (2012) suggest that consumers' purchase intentions are simultaneously influenced by price perceptions. Similar results were also presented by several previous studies which stated that prospective customers' purchase intentions were significantly and positively influenced by price perceptions (Munnukka, 2008; Annafik, 2012; Fure, 2013; Kusuma and Purnami, 2015).

Acmad & Supriono (2017) suggested that the higher the positive value perception of price, the higher the interest in the repurchase. Rana et al., (2015) stated in their research that price perception has a significant and positive influence on online purchase intentions. Based on the literature review, this indicates that the higher the price perception, the higher the consumer's purchase intention. Thus, the hypotheses formulated are:

H1: Price perception has a positive effect on the purchase intention of Honda motorcycles in the Pacitan Regency.

Effect of Product Quality on Purchase Intention

Consuming a product because the quality of the product is one of the considerations of consumers in using a product that can later provide the benefits that every consumer wants. Individuals who feel their needs are fulfilled will feel high satisfaction (Cahyono, 2013; Kurniawan and Cahyono, 2014; Cahyono et al., 2020), which will lead to consumer buying intentions. This is supported by the results of research from Munnukka (2008) which states that the quality of their purchase means that brand, brand loyalty, and preference will increase purchase intention. Nofita (2013) said that perceived quality is an important factor in consumer
satisfaction. The higher a consumer's perceived quality, the higher their purchase intention. Fure (2013) shows the existence of a causal relationship model in which the consumer's purchase intention depends on the perceived value that comes from perceived quality so that the perceived quality increases the consumer's purchase intention. Furthermore, Aditya et al. (2017) prove that purchase intention and perceived quality are directly positively correlated, so perceived quality can be used in predicting purchase intention. Other studies also found supporting results stating that quality has a positive effect on purchase intention, it explains that the higher the quality perceived by consumers, the higher the consumer's willingness to purchase intentions (Andiya, 2015; Haryanto et al, 2019). Thus, the hypotheses formulated are:

H2: Product quality has a positive effect on the purchase intention of Honda motorcycles in the Pacitan Regency.

The Role of Reference Groups in Moderating Perceptions of Price and Product Quality on Purchase Intentions

Reference groups or references can also cause purchase intentions in consumers towards a product. Kotler and Keller (2009) argue that a decision (decision) involves a choice between two or more alternative courses of action. Anoraga (2013) states that consumers tend to be more influenced by reference groups if the information provided is considered correct and relevant to the problems at hand, and the source of the information is trustworthy. The research conducted by Anditya (2015) showed the results that group reference influences purchase intention. In this study, the reference group is conceptualized as being able to act as a moderating variable (Liana, 2009) in influencing the relationship between price perception and product quality on consumer purchase intentions. Thus, the hypotheses formulated are:

H3: The reference group moderates the effect of price perception on the purchase intention of Honda motorcycles in the Pacitan Regency.

H4: The reference group moderates the effect of product quality on purchase intention of Honda motorcycles in the Pacitan Regency.

RESEARCH METHODS

Sample and Sampling Technique

The sample used in this study amounted to 100 respondents. This number of samples fulfills the Maximum Likelihood Estimation procedure, which is sampling between 100-200 samples (Ghozali, 2008). Hair et al., (2006) also stated that the appropriate sample size in the study is a minimum of 100 to 200 samples. Sampling is done by accidental sampling, which is a sampling technique that is carried out due to an accidental incident and fulfills the requirements to be a sample.

Data collection techniques in this study were carried out through surveys to respondents by conducting direct interviews guided by questionnaires. This is to increase the seriousness of respondents in filling out the questionnaire so that the data collected has high accuracy.

Operational Definition and Measurement of Variables

Purchase Intention

Purchase intention is defined as a strong tendency and desire to encourage individuals to buy a product (Durianto and Liana, 2004; Haryanto et al., 2019). Several studies define purchase intention as people's desire to buy a certain product (Anoraga and Iriani, 2013; Aditya et al., 2017). Purchase intention is operationalized by using four measurement items according to (Haryanto et al., 2019), namely:

a. The possibility of consumers buying a Honda brand motorcycle.
b. The willingness of consumers to buy Honda motorcycles.
c. The tendency of consumers to buy Honda motorcycles.
d. Consumers' interest in buying Honda motorcycles.
Price Perception
Perceived price is the value contained in the price related to the benefits and use of a product (Kotler and Armstrong 2008). Price is defined as the perception of the amount of money spent to acquire a particular product or brand (Fure, 2013; Kusuma and Purnami, 2015; Oosthuizen and Spowart, 2015). Product price is defined as an individual's perception of price fairness (Haryanto et al., 2019). Price perception is operationalized by using five measurement items, namely:
- Level of justice
- Level of openness
- Correspondence rate
- Level of rationality
- Logic level

Product quality
Product quality is defined as a condition of an item based on an assessment of its conformity with predetermined measuring standards. The more appropriate the standards set, the more qualified the product will be (Nofita, 2013; Fure, 2013; Aditya et al., 2017). Product quality is an individual's perception of the superiority of the quality of a product (Haryanto et al., 2019). Product quality is operationalized using three measurement items, namely:
- Level of convenience
- Privilege level
- Excellence level

Reference Group
Reference groups are defined as groups that have a direct or indirect influence on a person's attitudes and behavior (Kotler, 2006). The reference group was operationalized using five measurement items according to Jalasena (2013), namely:
- The level of knowledge of the reference group about the product.
- The credibility of the reference group.
- Experience level of the reference group.
- Reference group activity level.
- The level of attractiveness of the reference group.

RESULTS AND DISCUSSION
Descriptive Analysis of Respondents Characteristics
Table 1 shows a description of the characteristics of respondents based on gender, age, type of work, and income. Respondents who are male as much as 59% and female as much as 41%. Respondents who are male are the most. Respondents aged 17-21 years were 2%, aged 22-26 years were 17%, aged 27-31 years were 34%, and aged >31 years were 47%. Most respondents in this study were aged >31 years. Respondents whose jobs are private employees are 45%, civil servants are 26%, entrepreneurs are 23% and students are 6%. Respondents whose jobs are private employees are the most respondents. Respondents whose income was < 1 million were 10%, income > 1 million-3 million were 58%, and income > 3 million were 32%. Respondents with income > 3 million are the most respondents.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Classification</th>
<th>Number of Respondents</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>59</td>
<td>59%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>41</td>
<td>41%</td>
</tr>
</tbody>
</table>
### Validity Test Results

The results of the validity test are presented in full in Table 2. From each statement item obtained $r_{count} > r_{table} = 0.196$, for $\alpha = 0.05$ with $df = n-2 = 100-2 = 98$, then the statement item in the study above is valid. and thus the data obtained are feasible to be used for further analysis, using regression analysis.

<table>
<thead>
<tr>
<th>Item</th>
<th>$R$</th>
<th>$r_{table}$</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Justice</td>
<td>0.834</td>
<td>0.196</td>
<td>Valid</td>
</tr>
<tr>
<td>Openness</td>
<td>0.739</td>
<td>0.196</td>
<td>Valid</td>
</tr>
<tr>
<td>Correspondence</td>
<td>0.833</td>
<td>0.196</td>
<td>Valid</td>
</tr>
<tr>
<td>Rationality</td>
<td>0.787</td>
<td>0.196</td>
<td>Valid</td>
</tr>
<tr>
<td>Logic</td>
<td>0.315</td>
<td>0.196</td>
<td>Valid</td>
</tr>
<tr>
<td>Convenience</td>
<td>0.824</td>
<td>0.196</td>
<td>Valid</td>
</tr>
<tr>
<td>Privileges</td>
<td>0.955</td>
<td>0.196</td>
<td>Valid</td>
</tr>
<tr>
<td>Superiority</td>
<td>0.918</td>
<td>0.196</td>
<td>Valid</td>
</tr>
<tr>
<td>Knowledge</td>
<td>0.728</td>
<td>0.196</td>
<td>Valid</td>
</tr>
<tr>
<td>Credibility</td>
<td>0.782</td>
<td>0.196</td>
<td>Valid</td>
</tr>
<tr>
<td>Experience</td>
<td>0.723</td>
<td>0.196</td>
<td>Valid</td>
</tr>
<tr>
<td>Activity</td>
<td>0.820</td>
<td>0.196</td>
<td>Valid</td>
</tr>
<tr>
<td>Attractiveness</td>
<td>0.705</td>
<td>0.196</td>
<td>Valid</td>
</tr>
<tr>
<td>Possibility</td>
<td>0.859</td>
<td>0.196</td>
<td>Valid</td>
</tr>
<tr>
<td>Will</td>
<td>0.922</td>
<td>0.196</td>
<td>Valid</td>
</tr>
<tr>
<td>Trend</td>
<td>0.928</td>
<td>0.196</td>
<td>Valid</td>
</tr>
<tr>
<td>Interest</td>
<td>0.938</td>
<td>0.196</td>
<td>Valid</td>
</tr>
</tbody>
</table>

### Reliability Test Results

The results of the reliability calculations are presented in full in Table 3. Based on the table, it can be seen that all Cronbach's Alpha values are greater than the required Cronbach's Alpha values (> 0.60), which means that all questionnaire items are declared reliable.

<table>
<thead>
<tr>
<th>No.</th>
<th>Variable</th>
<th>Cronbach’s Alpha</th>
<th>Required Cronbach’s Alpha</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Price Perception</td>
<td>0.699</td>
<td>&gt;0.60</td>
<td>Reliabel</td>
</tr>
</tbody>
</table>

Source: Data Processing Results, 2021
Hypothesis Test Results

The Influence of Price Perception on Consumer Purchase Intention

The results of the regression test between price perception and consumer purchase intention are presented in Table 4. The results of the regression test show that the regression coefficient of price perception is 0.510 with a t-statistic of 4.515 and a significance of 0.000. The R² value in this test is 0.172, meaning that the price perception variable is only able to explain the purchase intention variable by 17.2% and the remaining 82.8% is caused by reasons outside the model. Because the regression coefficient is positive and the significance is <0.05, the results of the regression analysis support hypothesis one (H1). If the perception of price increases, the consumer's purchase intention on Honda motorcycles also increases.

Table 4. Results of Price Perception Regression Test on Consumer Purchase Intention

<table>
<thead>
<tr>
<th>Variable</th>
<th>Koefisien</th>
<th>t-statistic</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>6,586</td>
<td>2,887</td>
<td>0,005</td>
</tr>
<tr>
<td>Price Perception</td>
<td>0,510</td>
<td>4,515</td>
<td>0,000</td>
</tr>
<tr>
<td>R²</td>
<td></td>
<td>0,172</td>
<td></td>
</tr>
</tbody>
</table>

Source: Data Processing Results, 2021

The Effect of Product Quality on Consumer Purchase Intention

The results of the regression test between product quality and consumer purchase intentions are presented in Table 5. The results of the regression test show that the regression coefficient of product quality is 0.824 with a t-statistic of 5.790 and a significance of 0.000. The R² value in this test is 0.255, meaning that the product quality variable is only able to explain the purchase intention variable by 25.5% and the remaining 74.5% is caused by reasons outside the model. Because the regression coefficient is positive and the significance is <0.05, the results of the regression analysis support the second hypothesis (H1). If the quality of the product is getting better, the consumer's purchase intention for Honda motorcycles will also increase.

Table 5. Product Quality Regression Test Results on Consumer Purchase Intention

<table>
<thead>
<tr>
<th>Variable</th>
<th>Koefisien</th>
<th>t-statistic</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>6,363</td>
<td>3,493</td>
<td>0,001</td>
</tr>
<tr>
<td>Product Quality</td>
<td>0,824</td>
<td>5,790</td>
<td>0,000</td>
</tr>
<tr>
<td>R²</td>
<td></td>
<td>0,255</td>
<td></td>
</tr>
</tbody>
</table>

Source: Data Processing Results, 2021

The Effect of Price Perception on Consumer Purchase Intentions Moderated by Reference Group

The results of the Moderated Regression Analysis (MRA) test of price perception on consumer purchase intentions moderated by the reference group can be seen in Table 6. The results of the Moderated Regression Analysis (MRA) test show that the coefficient of the interaction variable is -0.033 and the significance is 0.346, it can be concluded that the reference group could not moderate the effect of price perception on consumers' purchase intentions. That is, if the reference group is low, the effect of price perception on purchase...
intention will decrease. In testing the effect of price perception on purchase intention, it shows R² of 0.172, and after the moderating variable is entered, R² increases by 0.349. Based on the test results, the third hypothesis (H3) in this study is not supported.

Table 6. Moderated Regression Analysis (MRA) Test Results in The Effect of Price Perception on Consumer Purchase Intentions Moderated by Reference Groups

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>t-statistic</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-9,672</td>
<td>-0,808</td>
<td>0,421</td>
</tr>
<tr>
<td>Price Perception</td>
<td>0,995</td>
<td>1,694</td>
<td>0,093</td>
</tr>
<tr>
<td>Reference group</td>
<td>1,029</td>
<td>1,462</td>
<td>0,147</td>
</tr>
<tr>
<td>Interaction</td>
<td>-0,033</td>
<td>-0,948</td>
<td>0,346</td>
</tr>
<tr>
<td>R²</td>
<td>0,349</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Data Processing Results, 2021

The Effect of Product Quality on Consumer Purchase Intentions Moderated by Reference Groups

The results of the Moderated Regression Analysis (MRA) test of product quality on consumer purchase intentions moderated by the reference group can be seen in Table 7. The results of the Moderated Regression Analysis (MRA) test show that the coefficient of the interaction variable is -0.062 and the significance is 0.196, it can be concluded that the reference group cannot moderate the effect of product quality on consumers' purchase intentions. That is, if the reference group is low, the effect of product quality on purchase intention will decrease. In testing the effect of product quality on purchase intention, R² is 0.255, and after the moderating variable is entered, R² increases by 0.376. Based on the test results, the fourth hypothesis (H4) in this study is not supported.

Table 7 Test Results Moderated Regression Analysis (MRA) The Effect of Product Quality on Consumer Purchase Intentions Moderated by Reference Groups

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>t-statistic</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-10,642</td>
<td>-0,995</td>
<td>0,322</td>
</tr>
<tr>
<td>Product quality</td>
<td>1,752</td>
<td>2,071</td>
<td>0,041</td>
</tr>
<tr>
<td>Reference group</td>
<td>1,095</td>
<td>1,791</td>
<td>0,076</td>
</tr>
<tr>
<td>Interaction</td>
<td>-0,062</td>
<td>-1,303</td>
<td>0,196</td>
</tr>
<tr>
<td>R²</td>
<td>0,376</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Data Processing Results, 2021

Discussion

From the research that has been done by the researcher, the result is that price perception has a significant and positive effect on consumers' buying intentions for a product. Based on the results of this study indicate that price perception has a positive and significant effect on purchase intention. Perceived price is the value that is exchanged to obtain a product. Perceptions of low prices lead to low-quality products, on the other hand, perceptions of high prices lead to quality products. The assessment of price perception is seen from the suitability of the consumer's sacrifice to the value received after making a purchase. Consumers will tend to observe the perception of the price of a product before choosing to buy, this is the center of attention for companies in determining the perception of the right price for the product they have so that consumers are interested in buying the product. This study supports the research conducted by Acmad & Supriono (2017) which states that price perception has a positive and significant influence on purchase intention. Similar results were also presented by several previous studies which stated that prospective customers' purchase intentions were positively and significantly influenced by price perceptions (Munnukka, 2008; Annafik, 2012; Fure, 2013; Kusuma and Purnami, 2015).
Subsequent results in this study indicate that product quality has a significant effect on consumer buying intentions. Product quality is the expected level of quality and control of diversity in achieving that quality to meet consumer needs (Nofita, 2013). Kotler and Keller (2012) state that product quality is the ability of an item to provide results or performance following what customers want. In making purchasing decisions, consumers will consider things related to the quality of the product to be purchased. Product quality is one of the main positioning tools for marketers. Quality has a direct relationship with product quality, therefore quality is related to the value and level of customer satisfaction. Marketers must know consumer preferences about the product in question to maximize attractiveness (Kotler and Armstrong, 2008). Product quality is one of the keys to competition among business actors offered to consumers. Consumers assume that every high-priced item will have good quality or that every quality item must match the price paid. If this strategy can be carried out well by the company, it will be able to provide satisfaction and add new customers.

The results of the last study indicate that the reference group variable was found to be insignificant in moderating the relationship between price and quality perceptions on consumer purchase intentions. Jalasena (2013) states that consumers are more influenced by reference groups if the information provided is considered correct and relevant to the problems at hand, and the source is reliable. In this study, the results obtained are not the same as those of Anditya (2015) which shows the results that group references influence purchase intention. In previous studies, it was stated that the reference group had a significant influence on purchase intention (Anoraga, 2013).

The difference in the results of this study is because when viewed from the respondents’ criteria, most of the respondents’ jobs in previous studies were students. While in this study the majority worked as private employees. Students are more influenced by reference groups in buying a product. According to Anditya (2015), the reference group is the variable that has the greatest influence on buying interest because students tend to gather with their friends and discuss technological advances.

CONCLUSION

Based on the results of the research and discussion, the conclusion of this study is that price perception has a positive and significant effect on the purchase intention of Honda brand motorcycles in Pacitan Regency, product quality has a positive and significant effect on purchase intentions of Honda brand motorcycles in Pacitan Regency, the reference group does not moderate the effect Price perception on purchase intention of Honda motorcycle in Pacitan Regency, and the reference group did not moderate the effect of product quality on purchase intention of Honda motorcycle in Pacitan Regency.

REFERENCES


