

Exploration of Determinants of Product Purchasing Decisions Based on Product Image for Small and Medium Enterprises in East Java Province

IGN. Andhika Mahendra

Universitas 17 Agustus 1945 Surabaya, andhikamahendra@untag-sby.ac.id

Ida Ayu Nuh Kartini

Universitas 17 Agustus 1945 Surabaya, nuhkartini@untag-sby.ac.id

Rosa Prafitri Juniarti

Universitas Negeri Surabaya

Ahmad Ajib Ridlwan

Universitas Negeri Surabaya

Abstract

This study aims to explore the determinants influencing purchasing decisions of product-based images in small and medium-sized enterprises (SMEs) in East Java Province. Given the significance of SMEs in the local economy, this research investigates how product image and product quality affect consumer behavior in purchasing decisions. Employing a qualitative research approach, data were collected through in-depth interviews with 30 consumers and 15 SME owners to gain insights into their perceptions and experiences. The interviews were analyzed thematically to identify key determinants that impact purchasing decisions. The findings reveal that product image significantly influences consumers' purchasing decisions, with positive brand associations enhancing consumer trust and preference. Additionally, product quality emerged as a crucial factor that reinforces the relationship between product image and purchasing decisions. This study highlights the need for SMEs to focus on developing a strong product image and ensuring high-quality offerings to attract and retain customers. The research provides important implications for SME owners in formulating effective marketing strategies to enhance competitiveness and sustainability in a competitive market. Future research directions are also discussed, including the exploration of other factors that may influence consumer purchasing decisions within the SME sector.

Keywords: Product Image, Purchasing Decisions, Small and Medium-sized Enterprises (SMEs), Product Quality, Qualitative Research, Consumer Behavior

Introduction

Small and Medium-sized Enterprises (SMEs) play a crucial role in Indonesia's economy, contributing approximately 61% to the Gross Domestic Product (GDP) and absorbing over 97% of the national workforce (Ministry of Cooperatives and SMEs of the Republic of Indonesia, 2021). In East Java Province, SMEs not only serve as economic drivers but also contribute to job creation and improving community welfare. However, amid increasing competition and rapidly changing

consumer behavior, SMEs face significant challenges in maintaining and enhancing their product competitiveness.

One of the key factors influencing consumer purchasing decisions is product image. Product image refers to consumers' perceptions of a product influenced by various elements such as quality, design, and marketing communication (Kotler & Keller, 2016). A positive product image can enhance the attractiveness of a product in the eyes of consumers, subsequently contributing to better purchasing decisions. Research indicates that a strong product image can increase consumer loyalty and decrease price sensitivity (Aaker, 1996).

In addition to product image, product quality also plays a significant role in influencing purchasing decisions. Product quality refers to the extent to which a product meets consumer expectations and needs (Garvin, 1984). In the context of SMEs, product quality often serves as a key differentiator in a highly competitive market. According to Zeithaml (1988), consumers are more likely to choose products from brands they trust to have good quality, thus establishing a direct relationship between product quality and purchasing decisions.

However, existing research has predominantly focused on large corporations and has paid less attention to the context of SMEs, particularly in Indonesia. Therefore, this study aims to explore the determinants influencing purchasing decisions based on product image in SMEs in East Java Province. Utilizing a qualitative approach, this research seeks to provide in-depth insights into the factors affecting consumer behavior and effective marketing strategies to enhance the competitiveness of SMEs.

LITERATURE REVIEWS

2.1 Product Image and Consumer Behavior

Product image is a critical factor influencing consumer behavior, as it shapes perceptions and expectations regarding a product. Research has shown that a positive product image can enhance consumer trust and loyalty, which directly impacts purchasing decisions (Aaker, 1996; Kotler & Keller, 2016). For SMEs, cultivating a strong product image is essential, especially in competitive markets where consumers have numerous choices. Studies suggest that effective branding and marketing strategies can significantly improve product image, leading to increased sales and customer retention (Keller, 2001).

Product image is a critical construct in marketing and consumer behavior, referring to the perceptions and associations that consumers hold regarding a product or brand. This image is shaped by various factors, including advertising, packaging, product quality, and consumer experiences (Keller, 2001). A strong product image can significantly influence consumer behavior, driving purchasing decisions and fostering brand loyalty.

Influence on Purchasing Decisions

Research consistently demonstrates that product image plays a pivotal role in consumer purchasing decisions. A positive product image enhances consumer trust and confidence, leading to a greater likelihood of purchase (Aaker, 1996). When consumers perceive a product positively, they are more inclined to buy it, often overlooking potential flaws or negative attributes. This phenomenon is particularly relevant in competitive markets, where consumers are bombarded with numerous options and rely on brand perceptions to simplify their decision-making process (Huang & Sarigöllü, 2014). Moreover, the interplay between product image and brand loyalty is significant. A well-established product image fosters an emotional connection with consumers, which can lead to repeat purchases and brand advocacy (Chaudhuri & Holbrook, 2001). Consumers who feel positively about a brand are more likely to recommend it to others, further enhancing its market presence.

Cues and Signals in Product Image

Product image is also constructed through various cues and signals that convey information about the product. These cues include visual elements such as logos, packaging design, and color schemes, which can evoke specific emotions and associations (Wang & Mukherjee, 2016). For instance, a sleek and modern design may suggest innovation and quality, while vibrant colors may communicate excitement and energy.

The role of advertising in shaping product image cannot be overstated. Effective advertising campaigns create narratives and associations that influence how consumers perceive a product (Kotler & Keller, 2016). Through storytelling and emotional appeals, advertisements can enhance product image, positioning it favorably in the minds of consumers. This effect is amplified when consumers have positive prior experiences with the brand, reinforcing the associations created through marketing efforts.

Consumer Characteristics and Product Image Perception

Consumers' individual characteristics also play a crucial role in how they perceive product image. Factors such as demographics, cultural background, and personal preferences can influence the interpretation of product images (Lantos, 2011). For instance, younger consumers may prioritize trendy and innovative product images, while older consumers may value reliability and tradition. Understanding these nuances is essential for marketers aiming to create targeted messaging and branding strategies that resonate with specific consumer segments.

Implications for Small and Medium-sized Enterprises (SMEs)

For SMEs, developing a strong product image is vital for competing against larger firms with more substantial marketing resources. A well-defined product image allows SMEs to carve out a niche in the market, attract target customers, and foster loyalty. Given that many SMEs operate on limited budgets, leveraging cost-effective strategies, such as social media marketing and community engagement, can enhance their product image without incurring significant expenses (Erdem & Swait, 2004). In conclusion, product image is a fundamental aspect of consumer

behavior that significantly impacts purchasing decisions. By understanding the elements that contribute to a positive product image and leveraging these insights, SMEs can develop effective marketing strategies that enhance consumer trust, drive sales, and build brand loyalty.

2.2 The Role of Product Quality

Product quality is another essential determinant of purchasing decisions. Garvin (1984) identified several dimensions of product quality, including performance, features, reliability, and conformance to specifications. High-quality products are perceived as more valuable, leading consumers to prioritize them over lower-quality alternatives (Zeithaml, 1988). In the context of SMEs, maintaining consistent product quality can be challenging but is crucial for establishing a favorable product image and influencing consumer preferences (Khan et al., 2018).

Product quality significantly impacts consumer purchasing decisions in various ways. Research indicates that high-quality products tend to generate positive word-of-mouth and enhance brand reputation (Homburg et al., 2015). When consumers perceive a product as high quality, they are more likely to engage in repeat purchases, resulting in increased customer lifetime value. Conversely, poor product quality can lead to negative reviews, decreased customer loyalty, and potential financial losses for SMEs.

Moreover, product quality influences consumers' willingness to pay a premium. Zeithaml (1988) found that consumers often equate higher quality with higher price, demonstrating a willingness to pay more for products they perceive as superior. This relationship highlights the importance of establishing and communicating product quality effectively in marketing strategies.

Quality as a Competitive Advantage for SMEs

For SMEs, product quality can serve as a vital competitive advantage. Unlike larger corporations that may rely on economies of scale, SMEs often differentiate themselves by focusing on quality and customer service. By prioritizing product quality, SMEs can create unique value propositions that resonate with their target audience, fostering customer loyalty and repeat business (Erdem & Swait, 2004). However, maintaining high product quality can be challenging for SMEs due to resource constraints, including limited access to advanced technology, skilled labor, and capital investment. To overcome these challenges, SMEs can adopt quality management practices, such as Total Quality Management (TQM) and continuous improvement processes, to enhance product quality while optimizing costs (Huang et al., 2017).

In conclusion, product quality is a crucial determinant of consumer behavior and purchasing decisions. It encompasses multiple dimensions that influence how consumers perceive a product's value and reliability. For SMEs, focusing on product quality can enhance competitiveness, foster brand loyalty, and ultimately drive sales. Understanding the interplay between product quality and consumer behavior is essential for developing effective marketing strategies and achieving long-term business success.

2.3 The Interaction Between Product Image and Quality

The interaction between product image and product quality significantly impacts consumer purchasing behavior. Research indicates that a strong product image can enhance the perceived quality of a product, leading to a higher likelihood of purchase (Huang & Sarigöllü, 2014). Additionally, when consumers associate a product with a positive image, they are more likely to overlook potential flaws in product quality (Chaudhuri & Holbrook, 2001). This interplay underscores the importance for SMEs to not only focus on product quality but also on the perception they create around their products. The interplay between product image and product quality is a critical area of study within marketing and consumer behavior. Both constructs significantly influence consumer perceptions and purchasing decisions, and understanding their interaction can provide valuable insights for small and medium-sized enterprises (SMEs) aiming to enhance their market position.

Understanding Product Image and Quality

Product image refers to the overall perception that consumers have about a product or brand, shaped by various factors such as marketing communications, user experiences, and societal influences (Keller, 2001). In contrast, product quality encompasses the tangible and intangible attributes of a product that determine its performance and reliability, including durability, features, and conformance to specifications (Garvin, 1984). While product image and quality are distinct constructs, they are intricately linked. A strong product image can enhance the perceived quality of a product, and conversely, high product quality can bolster a favorable product image. This relationship underscores the importance of managing both dimensions effectively in marketing strategies.

The Role of Product Image in Perceived Quality

Research indicates that consumers often rely on product image as a heuristic for assessing quality, especially in situations where they lack sufficient information about a product (Chaudhuri & Holbrook, 2001). When consumers have a positive perception of a product image, they tend to attribute higher quality to it, even in the absence of direct experience. For example, premium brands that successfully convey an image of luxury and exclusivity can influence consumers to perceive their products as superior, regardless of objective quality assessments.

This phenomenon illustrates the power of branding and marketing in shaping consumer perceptions. Effective advertising and branding strategies can create strong associations between a product image and quality, leading consumers to view higher-priced items as better choices due to their appealing images, rather than their actual performance or features (Aaker, 1996).

The Impact of Quality on Product Image

Conversely, the quality of a product significantly affects its image. High-quality products often contribute to a favorable product image, leading to positive consumer experiences and enhanced brand reputation (Homburg et al., 2015). When consumers experience a product that meets or exceeds their expectations, they are more likely to share their positive experiences with others, thus reinforcing the product's image in the marketplace. Moreover, consistent quality over time

is essential for maintaining a positive product image. Brands that fail to deliver on quality may quickly find their favorable images tarnished, leading to decreased consumer trust and loyalty. For SMEs, ensuring product quality is critical, as negative experiences can disproportionately impact smaller brands that rely heavily on word-of-mouth marketing.

Consumer Segmentation and Product Perception

The interaction between product image and quality also varies across different consumer segments. Research indicates that consumers' backgrounds, preferences, and purchasing motivations can shape how they perceive both quality and image (Lantos, 2011). For example, younger consumers may prioritize trends and aesthetics in their perception of product image, while older consumers may place more emphasis on durability and reliability. Understanding these nuances allows SMEs to tailor their marketing strategies to align with the specific preferences of their target audience, enhancing both product image and perceived quality.

Implications for Small and Medium-sized Enterprises (SMEs)

For SMEs, effectively managing the interaction between product image and quality is essential for competing with larger firms. By cultivating a strong product image through branding, marketing, and consumer engagement, SMEs can enhance the perceived quality of their offerings. This approach allows SMEs to differentiate themselves in crowded markets, build customer loyalty, and drive repeat purchases.

Additionally, SMEs should focus on delivering consistent product quality to reinforce their positive images. Leveraging customer feedback and actively engaging with consumers can provide valuable insights for improving both product quality and image.

In conclusion, the interaction between product image and quality is a dynamic and critical factor influencing consumer behavior and purchasing decisions. A strong product image can enhance perceived quality, while high product quality contributes to a favorable image. For SMEs, understanding and managing this interaction is essential for developing effective marketing strategies, enhancing competitiveness, and ultimately driving business success.

Methodology

3.1 Research Paradigm

This research adopts a qualitative paradigm, which is particularly suitable for exploring complex social phenomena such as consumer behavior. Qualitative research emphasizes understanding the meaning that individuals or groups ascribe to social or human experiences (Creswell & Poth, 2018). By employing a qualitative approach, this study seeks to gain in-depth insights into the determinants of purchase decisions based on product image among small and medium-sized enterprises (SMEs) in East Java.

3.2 Research Design

The research design for this study is exploratory, aiming to uncover the underlying factors that influence consumer purchasing decisions in the context of SMEs. A qualitative design is chosen to capture rich, detailed information through various data collection methods, allowing for a deeper understanding of consumer perceptions and experiences related to product image.

3.3 Data Collection Methods

Data collection for this research will be conducted using the following methods:

1. **In-depth Interviews:** Semi-structured interviews will be conducted with consumers who have purchased products from SMEs in East Java. This method allows for open-ended questions that encourage participants to express their thoughts and feelings about product image and its influence on their purchasing decisions. Participants will be selected using purposive sampling to ensure a diverse representation of demographics, including age, gender, and socioeconomic background.
2. **Focus Group Discussions:** Focus groups will be organized to facilitate discussions among consumers regarding their experiences with product image in the context of SMEs. This method promotes interaction among participants, allowing for the emergence of shared views and diverse perspectives. Each focus group will consist of 6-8 participants and will be guided by a facilitator who will pose questions and encourage discussion.
3. **Document Analysis:** Analysis of marketing materials, social media posts, and product reviews from SMEs will be conducted to identify how product image is communicated and perceived by consumers. This method complements interviews and focus groups by providing context and supporting data.

3.4 Data Analysis

Data analysis will follow a thematic analysis approach, allowing for the identification of patterns and themes within the qualitative data. The following steps will be taken:

1. **Transcription:** Interviews and focus group discussions will be audio-recorded and transcribed verbatim to ensure accuracy in data representation.
2. **Coding:** The transcripts will be analyzed using open coding to identify initial codes, followed by axial coding to categorize these codes into broader themes (Strauss & Corbin, 1990).
3. **Theme Identification:** Themes related to product image, consumer perceptions, and purchase decisions will be identified and refined through iterative analysis.
4. **Verification:** Member checking will be employed by sharing the findings with participants to validate the interpretations and ensure the credibility of the results (Lincoln & Guba, 1985).

3.5 Limitations

While qualitative research provides rich insights, it is subject to certain limitations, including the potential for researcher bias and the challenge of generalizability due to the small sample size. These limitations will be acknowledged, and the findings will be contextualized within the specific cultural and market conditions of East Java.

Results

4.1 Overview of Participants

A total of 30 participants were engaged in the study, comprising 20 individuals who participated in in-depth interviews and 10 participants involved in focus group discussions. The demographic profile of the participants is as follows:

1. **Age Distribution:**

- a. 18-25 years: 10 participants
- b. 26-35 years: 12 participants
- c. 36-45 years: 8 participants

2. **Gender:**

- a. Male: 14 participants
- b. Female: 16 participants

3. **Socioeconomic Status:**

- a. Lower middle class: 10 participants
- b. Middle class: 15 participants
- c. Upper middle class: 5 participants

This diverse demographic representation ensured a comprehensive understanding of consumer perceptions regarding product image in the context of SMEs in East Java.

4.2 Thematic Analysis

Thematic analysis revealed several key themes related to the determinants of purchase decisions based on product image. These themes are discussed in detail below.

4.2.1 Theme 1: Perception of Product Image

Participants identified several elements contributing to their perception of product image, including branding, packaging, and marketing communications. Key findings include:

- **Branding:** A strong brand identity significantly influenced consumers' perceptions. Participants emphasized the importance of a recognizable logo and consistent branding elements that convey quality and reliability.

"When I see a familiar logo, I feel more confident about the product. It gives me the impression that the brand cares about its image and quality." (P10)

- **Packaging:** Attractive and functional packaging was noted as a critical factor in shaping product image. Many participants indicated that well-designed packaging created an initial positive impression and influenced their decision to explore the product further.

"I tend to pick products that have eye-catching packaging. It makes the product look more appealing and high-quality." (P5)

- **Marketing Communications:** Effective marketing strategies, including social media presence and promotional campaigns, played a significant role in shaping product image. Participants noted that engaging content and relatable advertising resonated with their values and lifestyle, leading to a favorable perception of the product.

"I often check the brand's social media before buying. If their content is relatable and engaging, I'm more likely to trust their products." (P12)

4.2.2 Theme 2: Influence of Product Quality

The participants' insights revealed a strong link between product quality and purchasing decisions. Key findings include:

- **Performance and Reliability:** Many participants highlighted that high-quality products, characterized by reliability and effective performance, were critical in their purchase decisions. Consistent product performance reinforced their confidence in the brand.

"If a product works well and lasts long, I'll definitely buy it again. Quality is a top priority for me." (P7)

- **Durability:** Participants expressed that they prefer investing in products that offer durability. This aspect is particularly important for small household items and electronic gadgets. The perception of durability contributed to the overall assessment of product quality.

"I don't mind spending a little extra on a product if I know it will last longer. It saves me money in the long run." (P18)

4.2.3 Theme 3: The Role of Social Influence

Social influence emerged as a significant determinant of purchase decisions, particularly through word-of-mouth recommendations and social media reviews. Key findings include:

- **Word-of-Mouth Recommendations:** Participants reported that recommendations from friends and family heavily influenced their purchasing decisions. Positive experiences shared by peers increased trust in the product image and quality.

"When my friends recommend a product, I trust their judgment. It's like getting a guarantee that the product is good." (P3)

- **Social Media Reviews:** The growing trend of checking online reviews before making a purchase was evident among participants. Many expressed reliance on user-generated content to evaluate product image and quality.

"I always read reviews on social media. If many people say it's good, I'm more likely to buy it." (P16)

4.2.4 Theme 4: Price Sensitivity and Value Perception

Participants indicated that product price and perceived value were crucial considerations in their purchasing decisions. Key findings include:

- **Price as an Indicator of Quality:** Some participants equated higher prices with better quality. They perceived premium-priced products as more reliable and of superior quality.

"I believe that you get what you pay for. If something is too cheap, I wonder about its quality." (P14)

- **Value for Money:** While price sensitivity was acknowledged, participants also emphasized the importance of value for money. They preferred products that offered good quality at a reasonable price, suggesting a balanced approach to pricing and quality.

"I look for products that provide the best value. I'm willing to pay more, but it has to be worth it." (P9)

4.3 Summary of Findings

The results indicate that the determinants of purchase decisions based on product image in SMEs in East Java are multifaceted, involving a complex interplay of product image, quality, social influence, and price sensitivity. The insights gained from the qualitative analysis provide a nuanced understanding of consumer behavior, suggesting that SMEs can enhance their market strategies by focusing on strengthening product image and quality perceptions.

4.4 Implications for SMEs

The findings emphasize the importance of SMEs adopting strategic marketing approaches that align with consumer perceptions of product image and quality. By investing in branding, effective marketing communications, and ensuring high product quality, SMEs can improve their competitive positioning and foster customer loyalty.

Discussion

The findings from this qualitative exploration into the determinants of purchase decisions based on product image in small and medium-sized enterprises (SMEs) in East Java provide critical insights into consumer behavior and marketing strategies. This discussion synthesizes the results, linking them to existing literature while addressing the implications for SMEs and opportunities for future research.

5.1 Interpretation of Key Findings

5.1.1 The Central Role of Product Image

The study revealed that product image plays a pivotal role in shaping consumer perceptions and purchase decisions. Participants consistently highlighted the significance of branding, packaging, and marketing communications in their evaluation of products. This aligns with the established literature, which suggests that a positive product image enhances consumer trust and willingness

to purchase (Aaker, 1996; Keller, 2001). For SMEs, a well-defined product image can differentiate them in a crowded marketplace. By investing in branding strategies, SMEs can foster emotional connections with consumers, thereby enhancing brand loyalty and repeat purchases (González & León, 2019).

5.1.2 The Interconnection Between Product Quality and Purchase Decisions

The findings underscored a strong relationship between perceived product quality and purchasing decisions. Participants indicated that their assessments of quality influenced their

trust in the brand and their likelihood of repurchasing. This finding resonates with previous research highlighting that consumers often equate higher prices with better quality (Zeithaml, 1988). For SMEs, ensuring high product quality is crucial not only for attracting new customers but also for retaining existing ones. High-quality products lead to positive word-of-mouth referrals, which are particularly valuable for small businesses with limited marketing budgets (Liu & Wu, 2020).

5.1.3 Influence of Social Factors

Social influence emerged as a significant factor affecting purchase decisions, with participants frequently referring to recommendations from friends, family, and social media reviews. This reflects the growing importance of social proof in consumer behavior, as outlined by Cialdini (2009). The reliance on peer recommendations indicates that SMEs can leverage social networks to enhance their credibility and reach.

By actively engaging customers in promoting their products—through user-generated content and encouraging reviews—SMEs can create a community that advocates for their brand, thus enhancing their overall product image and driving sales.

5.1.4 Price Sensitivity and Value Perception

Price sensitivity was another critical factor influencing purchase decisions. Participants expressed a desire for products that offered good value for money, highlighting the importance of perceived value alongside pricing. This is consistent with the findings of Monroe (1990), who suggests that consumers evaluate the price of a product against its perceived benefits. For SMEs, understanding the price-value relationship is vital. They should aim to strike a balance between competitive pricing and perceived quality, ensuring that consumers feel they are getting value for their investment.

5.2 Implications for SMEs

The insights derived from this study have several practical implications for SMEs in East Java:

1. **Brand Development:** SMEs should prioritize developing a strong and cohesive brand identity that resonates with consumers. This can involve creating a recognizable logo, a consistent visual style, and a clear message that reflects the brand's values and quality commitment.

2. **Quality Assurance Programs:** Establishing stringent quality control measures can enhance product reliability. SMEs should regularly solicit feedback from consumers and adapt their products based on this feedback to ensure they meet customer expectations.
 3. **Leveraging Social Media:** Utilizing social media platforms for marketing can amplify the brand's reach and facilitate consumer engagement. SMEs should actively promote positive customer experiences and encourage satisfied customers to share their stories online.
 4. **Value-Based Pricing Strategies:** SMEs need to communicate the value proposition of their products effectively. Highlighting unique features, craftsmanship, and customer benefits can help justify pricing and reinforce the perceived value in consumers' minds.
-

Conclusions

This study explored the determinants of purchase decisions based on product image in small and medium-sized enterprises (SMEs) in East Java, employing a qualitative research approach. The findings reveal critical insights into how product image influences consumer behavior and highlight the intertwined relationships among product quality, social influence, and price sensitivity.

6.1 Key Findings

- a. **Significance of Product Image:** The research underscores the central role of product image in shaping consumer perceptions and purchase intentions. A positive product image not only enhances brand loyalty but also establishes trust, which is crucial for SMEs striving to compete in increasingly crowded markets.
- b. **Quality Perception:** The study confirms that perceived product quality significantly impacts consumer decisions. Participants indicated that high-quality products lead to favorable evaluations and enhance their likelihood of repurchase. This finding emphasizes the need for SMEs to maintain rigorous quality standards.
- c. **Influence of Social Factors:** Social influence, particularly through word-of-mouth and peer recommendations, emerged as a significant determinant of purchase decisions. SMEs can leverage social proof to enhance credibility and attract new customers by encouraging satisfied customers to share their experiences.
- d. **Price Sensitivity and Value Proposition:** Participants expressed a clear desire for products that offer good value for money. The findings suggest that SMEs should focus on communicating their unique value propositions effectively, ensuring that consumers perceive the price as justified by the benefits offered.

6.2 Practical Implications

The findings of this study have several practical implications for SMEs in East Java:

- a. **Brand Development:** SMEs should invest in building a strong brand identity that resonates with their target audience. This includes consistent branding efforts across all marketing channels.
- b. **Quality Assurance:** Ensuring high product quality is essential for attracting and retaining customers. Implementing robust quality control measures can enhance consumer trust and satisfaction.
- c. **Engagement Strategies:** Actively engaging consumers through social media and encouraging reviews can help SMEs leverage social influence to their advantage, enhancing their overall product image.
- d. **Effective Pricing Strategies:** SMEs must strike a balance between competitive pricing and perceived value. Communicating the benefits of their products can help justify pricing and reinforce consumer trust.

6.4 Final Thoughts

In conclusion, understanding the determinants of purchase decisions based on product image is crucial for SMEs seeking to thrive in competitive markets. By focusing on enhancing product image, ensuring high quality, leveraging social influence, and communicating value effectively, SMEs in East Java can position themselves for sustained growth and success. The insights from this study not only contribute to the academic discourse on consumer behavior but also provide practical guidance for SMEs aiming to refine their marketing strategies and enhance their market presence.

Recommendation

While this study provides valuable insights, it is essential to acknowledge its limitations. The qualitative nature of the research limits the generalizability of findings, and the sample size may not fully represent the diverse consumer base in East Java. Future research could expand on these findings by conducting larger-scale quantitative studies to validate the results and explore the influence of other variables, such as cultural factors and economic conditions. Longitudinal studies could also be beneficial in understanding how consumer perceptions evolve over time, especially in response to marketing interventions. The exploration of the determinants of purchase decisions based on product image highlights the critical interplay between product image, quality, social influence, and price sensitivity. By understanding these factors, SMEs in East Java can develop effective marketing strategies that enhance consumer trust, foster brand loyalty, and ultimately drive sales. Continued research in this area will be essential to adapting to changing consumer behaviors and market dynamics.

Acknowledgement

The author would like to express sincere gratitude to Universitas 17 Agustus 1945 Surabaya for their generous funding support under the International Collaboration Scheme for Higher

Education Grants. This financial assistance was instrumental in facilitating the research process and allowed for a comprehensive exploration of the determinants of purchase decisions based on product image in small and medium-sized enterprises in East Java. Special thanks are extended to the faculty and staff at the university for their guidance and encouragement throughout the research project. Their support has been invaluable in navigating the challenges associated with conducting qualitative research and analyzing the data collected. Additionally, heartfelt appreciation goes to the participants of this study, particularly the owners and managers of small and medium-sized enterprises, whose insights and willingness to share their experiences made this research possible. Their contributions provide a deeper understanding of consumer behavior and the dynamics of the local market. Lastly, I would like to acknowledge the broader academic community for their ongoing support and inspiration, which motivates researchers to strive for excellence in their work.

References

- Aaker, D. A. (1996). *Building strong brands*. Free Press.
- Chaudhuri, A., & Holbrook, M. B. (2001). The Chain of Effects from Brand Trust and Brand Affect to Brand Performance: The Role of Brand Loyalty. *Journal of Marketing*, 65(2), 81-93.
- Cialdini, R. B. (2009). *Influence: Science and practice* (5th ed.). Pearson Education.
- Erdema, T., & Swait, J. (2004). Brand Equity as a Sign of Quality: The Role of Brand Name in Purchase Decisions. *Journal of Product & Brand Management*, 13(4), 235-245.
- Garvin, D. A. (1984). What Does "Product Quality" Really Mean? *Sloan Management Review*, 26(1), 25-43.
- González, A., & León, C. (2019). The impact of brand image on customer loyalty in small businesses. *Journal of Small Business and Enterprise Development*, 26(2), 231-249. <https://doi.org/10.1108/JSBED-04-2018-0139>
- Homburg, C., Kuester, S., & Krohmer, H. (2015). *Marketing Management: A Contemporary Perspective*. McGraw-Hill Education.
- Huang, R., & Sarigöllü, E. (2014). The Impact of Brand Experience on Brand Loyalty: The Mediating Role of Brand Satisfaction and Trust. *Journal of Brand Management*, 21(7), 590-606.
- Keller, K. L. (2001). Building customer-based brand equity. *Marketing Management*, 10(2), 15-19.
- Khan, M. N., Sadiq, M., & Shafiq, M. (2018). The Impact of Product Quality on Customer Satisfaction and Loyalty: A Study on FMCG Products. *International Journal of Marketing Studies*, 10(1), 1-15.
- Kotler, P., & Keller, K. L. (2016). *Marketing Management* (15th ed.). Pearson.
- Lantos, G. P. (2011). *Consumer Behavior in Action: Real-Life Applications for Marketing Managers*. South-Western Cengage Learning.
- Liu, Y., & Wu, C. (2020). The effect of product quality on customer loyalty: The moderating role of customer satisfaction. *Journal of Retailing and Consumer Services*, 54, 102027. <https://doi.org/10.1016/j.jretconser.2019.102027>

- Ministry of Cooperatives and SMEs of the Republic of Indonesia. (2021). Profile of Small and Medium Enterprises in Indonesia.
- Monroe, K. B. (1990). Pricing: Making profitable decisions. The McGraw-Hill Companies, Inc.
- Wang, C. L., & Mukherjee, A. (2016). Brand Image and Consumer Response in the Context of Social Media Marketing. *Journal of Brand Management*, 23(6), 636-653.
- Zeithaml, V. A. (1988). Consumer perceptions of price, quality, and value: A means-end model and synthesis of evidence. *Journal of Marketing*, 52(3), 2-22.
<https://doi.org/10.1177/002224378805200302>