Analysis of the influence of digital marketing, brand image, and price perception on purchase intention and brand loyalty in Uniqlo apparel products

Natasha Bunga Arindaputri (a) Singghit Santoso (b) *

(a) Faculty of Business, Duta Wacana Christian University, Yogyakarta, Indonesia
(b) Duta Wacana Christian University, Yogyakarta, Indonesia

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ABSTRACT

Nowadays online shopping industry is growing rapidly, and social media platforms are a major part of promotional activities for many companies in Indonesia. The research aims to examine the relationship between price perception, brand image and digital marketing variables and purchase intention and brand loyalty. Design research is a quantitative research using a survey method with a questionnaire; the sampling technique is purposive random sampling. Using a structural equation modeling approach with AMOS software and 303 respondents, results show that price perception corporate image, and digital marketing promotion activities have significant and positive effects on purchase intention, while brand image does not directly have a significant effect on purchase intention. Furthermore, purchase intention has a significant effect on brand loyalty.

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Introduction

Nowadays social media marketing is important whether companies want to be a success in the modern business world or want to be famous. Thus managers should to uses social media programs and websites or lagding pages to promote the company, product and services. The rapid development of digital technology has affected the business world, especially the marketing activities (Agrawal & Gupta, 2023). Many promotional activities have been carried out online, including in Indonesia, where more than half of the population owns a smartphone and a good internet connection. The online shopping industry is growing rapidly, along with the behavior of consumers from generation Y and generation Z who prefer to interact via virtual (Agrawal, 2022). Digital Marketing itself is one of the marketing media that is currently in great demand by the public to support valoupiacxrious business activities because it is felt to have (Loupiac & Goudey, 2020) many benefits for their business development. With digital marketing, communication and transactions can be done easily, are not limited in time and can be worldwide. Digital marketing allows sellers and buyers to make transactions without having to meet face to face.

On the other side, current retail business is changing rapidly owing to advances in the Internet and mobile technology. The emergence of e-commerce and mobile commerce has revolutionized customer purchasing habits, from affecting product and information searching to variety seeking and customer channel selection (Mishra et al., 2021). Nowadays many customers are increasingly technology-dependent and engage with brands through smartphones, tablet and social media platforms (Zhu et al., 2020). Many prior studies on online shopping demonstrated that consumers shop online to fulfill specifically explained utilitarian motives such as low prices, product information, right assortment, convenience atmosphere, etc., as well as hedonic motives like fun and entertainment (Dorie & Loranger, 2020; Loupiac & Goudey, 2020). However, consumers also seek many hedonic benefits such as emotions and...
mental refreshment, while shopping for physical products like apparel. Customers who purchase through both digital and physical channels are an important segment of marketers (Viejo-Fernández et al., 2020). Customers’ conventional purchasing behavior involves looking for a variety of higher-quality items at the greatest feasible price.

Over the last decade, social media has become increasingly popular in digital marketing, such as engaging consumers (Cao et al., 2021) and promoting brands and influencing the purchase intention among individual consumers (Delbaere et al., 2020). Research that examines consumer behavior in online shopping for a variety of products shows that only review length and special shipping have no significant impact on product sales, while product category has a valid and specific impact on sales (K. L. Li et al., 2020). Beside digital marketing as a independent variable, brand image and price are another variables that is thought to have an effect on consumers' purchasing intentions in Indonesia for apparel products. In Indonesia, in line with population growth and income levels, the demand for branded clothing products continues to increase. With the end of the Covid-19 pandemic and the freedom to visit modern retail, in the future more consumers in Indonesia will buy clothing products that are perceived as good and trendy.

With the background above, the author wants to examine whether consumers in Indonesia have often used social media in making purchases, and during the post-pandemic consumers still consider price and brand image factors to be important factors when buying hedonic goods such as branded clothing. Because there are quite a lot of Uniqlo buyers in Indonesia, qualitative research was carried out with survey methods and relevant sampling techniques, namely purposive random sampling.

**Literature Review**

**Theoretical and Conceptual Background**

**Digital Marketing**

Nowadays, interest in social media for marketing activities domain has gained increased attention due to the development its technologies on customer behavior. (Almohaimneed, 2019) defined electronic social media marketing as web technologies utilized to interact with public communities. Companies’ interest in social media activities is derived by many benefits organizations, such as reducing cost, increasing profitability, increasing brand awareness and brand building. The important thing about digital marketing activities through social media is the influence of social media company promotional content on consumers. The concept of social media influencer has been discussed in many literatures. The latest definition is proposed as individuals who gained popularity on the social media platform and a position of influence on their audience in the marketing context (Delbaere et al., 2020). In practice, social media influencer and their online interactivities can influence purchase behaviour (Duffett, 2017; Wang & Qiao, 2020) Also, leaders and their engagement on social media have been noted as an influential force on consumer behaviour (Sun et al., 2022).

**Brand Image**

Brand image depicts consumers’ thoughts about the brand consumers’ and overall mental image of the brand; in many cases, it would largely determine worthiness assessments in purchasing decision-making (Mitchell & Balabanis, 2021), because a brand with a good reputation will be considered and can be translated into best performance (Balmer et al., 2020). Once consumers identify with a particular brand, and highly identify with brands, tend to want to consume their favorite brand (Coelho et al., 2018). Brands carries symbolic meaning and do not only have functional value, but also emotional value. At the social level, a fashion brand can act as consumers’ aspirations and self-status (Buyukdag & Kitapci, 2021). Brand image also refers to how consumer connects to certain products or service of the brand and plays a crucial role in marketing (Zhang, 2015) and is a key component that helps enhance the relationship between brand and customer (Mabhkhot et al., 2017). In the digital era where many promotional activities are carried out online, consumers’ perspective on social media activities will affect how they perceive the brand image (Pliidtookpai & Yoopetch, 2021). Brand image importantly participated in the decision to purchase or not to purchase that brand; In high-level fashion field, the best goods image is, that will more helpful to would be to support consumers’ willingness to buy (Nguyen & Tran, 2013).

Brand image refers to a customer’s mental picture of a brand in consumers’ mind that is associated with an offering, and consists of a functional and symbolic brand; consumers purchase products in addition to the image associated with sophistication, wealth, connection and identification with other customers of the brand, and acts as an important cue for consumers to distinguish a brand from its competitors (Ali et al., 2020). Interestingly, their research results show that brand image influence purchase intention directly or indirectly, through brand trust, brand satisfaction and brand perceived quality. Other researcher stated that brand image is consumer’s impression of the trademark and in consumers mind (Nguyen & Tran, 2013); and brand image importantly participated in the decision to purchase or not to purchase that brand Specifically (Qaderi, 2019).

**Price perception**

Price perception can be defined as general belief about the overall level of prices that consumers associate with a particular retailer, but as a multidimensional can be defined as a measure comprising various dimensions, like perceived price level, price perceptibility, perceived price savings, perceived price fairness, perceived value, price reward and so on (Graciola et al., 2018). In his research, (Rai & Narwal, 2022) stated that price perception have positive impact on purchase intention. Another research in retailer fields found that a store’s price image dimensions influence customers’ purchase intentions either directly or indirectly (Cheah et al., 2020). (Lee & Lee, 2018) conducts research that aims to see the impact of the discount strategy on consumer buying intentions; results show that
the discount size increases customers’ perceived risks, and that these perceived risks mediate the relationship between price discount and purchase intentions.

Price perceptions will be dissimilar to any rational consumer. In their experience with product or services, consumers reach a price evaluation regarding the low or high price level of market. Some consumers assess the sacrifices made with the benefits obtained. While price perceived as high causes consumers don’t want to purchase a product. Thus, consumers’ price level perception can influences their purchase intention (Cakici & Tekeli, 2022). Consumers’ emotions can affect evaluation of consumption experiences; negative emotions will process information in more detail and make more accurate judgments, while positive emotions can distract individuals and give subliminal reactions (Forgas, 2013).

**Purchase intention**

Purchase intention is the attitude of customers’ interest and the possibility of purchasing towards certain products or brands; it can be an important index to predict consumer behavior (Plidtookpai & Yoopetch, 2021). Purchase intention is also a personal tendency correlating to a brand with an intention of implementing buying behavior, and an individual’s conscious plan to make an effort to purchase a brand (Kim & Ko, 2012). (Jansom & Pongsakornrungsilp, 2021) investigate how Instagram influencers impact consumer parasocial interaction (PSI) in the relationship between value perception and purchase intention, while (Qaderi, 2019) stated that brand image influence purchase intention, other scholar stated purchase intention is defined as willingness of a customer to buy a product or service in a certain condition and as a consumer reactions that occurred as a result of the consumer decision-making process (Pirachi, 2019; Usman & Okafor, 2019).

**Brand Loyalty**

Loyalty is a customer’s intention to purchase from the same brand again and an outcome of the conviction that brand value is higher than other alternatives; loyalty also is an important factor in managing product and services and can be measured by using some items, such as the intention to buy again more products (Abror et al., 2020; El-Adly, 2019). (Shankar & Jebarajakirthy, 2019) explains that from behavioral perspective, brand loyalty can be understood as a customer’s propensity to continue a relationship with sellers or companies. Loyalty has been studied as attitudinal loyalty and behavioural loyalty by measuring buying frequency (Romaniuk & Nenycz-Thiel., 2013), which attitudinal loyalty concentrates on consumers’ commitment to the brand. Purchase intention is positively associated to make the customer loyal to the brand, because consumer involvement to a product type has a positive significant impact on attitudinal loyalty toward a focal brand (Panda et al., 2020).

From the various studies above, the research model is presented as follows in Figure 1.

![Research Framework](image)

**Figure 1:** Research Framework; **Source:** Authors

From the research model in figure 1, several research hypotheses were developed:

H1: Digital Marketing has a positive and significant effect on Purchase Intention

H2: Brand Image has a positive and significant effect on Purchase Intention

H3: Price Perception has a positive and significant effect on Purchase Intention

H4: Purchase Intention has a positive and significant effect on Brand Loyalty
Research and Methodology

The design used in this study is a quantitative study using survey methods to collect existing data. The sampling method used was purposive sampling based on the criteria determined by the researcher; respondent criteria are respondents who have purchased Uniqlo products. The research also uses questionnaire as a tool to collect data. Data collection was conducted from October 2021 to December 2021. Respondents are given a questionnaire consisting two parts. The first one is the general information including their profile such as gender, age, education, spending per month. The second part is a questionnaire consisting of questions to test the research model mentioned. The data was analyzed using Structural Equation Models (SEM) using AMOS software. Several tests of goodness of fit were done using the data and some criteria for the goodness of fit in SEM is shown in Table 1.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMIN / df</td>
<td>2 – 5</td>
</tr>
<tr>
<td>GFI (Goodness of fit index)</td>
<td>&gt; 0.9</td>
</tr>
<tr>
<td>AGFI (Adjusted Goodness of fit index)</td>
<td>&gt; 0.9</td>
</tr>
<tr>
<td>RMSEA (root mean square error of approximation)</td>
<td>&lt; 0.08</td>
</tr>
</tbody>
</table>

Sources: (Hair et al., 2014)

Findings and Discussions

Respondent Profile

Below are the results of profiling 303 respondents who completed questionnaire using Google Forms format.

<table>
<thead>
<tr>
<th>Description</th>
<th>Classification</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>143</td>
<td>47.2</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>160</td>
<td>52.8</td>
</tr>
<tr>
<td>Age</td>
<td>&lt; 20 years old</td>
<td>76</td>
<td>25.1</td>
</tr>
<tr>
<td></td>
<td>20-30 years old</td>
<td>185</td>
<td>61.1</td>
</tr>
<tr>
<td></td>
<td>31-40 years old</td>
<td>24</td>
<td>7.9</td>
</tr>
<tr>
<td></td>
<td>&gt; 40 years old</td>
<td>18</td>
<td>5.9</td>
</tr>
<tr>
<td>Education</td>
<td>Student</td>
<td>133</td>
<td>43.9</td>
</tr>
<tr>
<td></td>
<td>Private Employees</td>
<td>86</td>
<td>28.4</td>
</tr>
<tr>
<td></td>
<td>Government Employees</td>
<td>11</td>
<td>3.6</td>
</tr>
<tr>
<td></td>
<td>Entrepreneur</td>
<td>48</td>
<td>15.8</td>
</tr>
<tr>
<td></td>
<td>Professional Worker</td>
<td>11</td>
<td>3.6</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>14</td>
<td>4.6</td>
</tr>
<tr>
<td>Income</td>
<td>Up to IDR 1.5 million /month</td>
<td>93</td>
<td>30.7</td>
</tr>
<tr>
<td></td>
<td>&gt; IDR 1.5 – 2.5 million /month</td>
<td>64</td>
<td>21.1</td>
</tr>
<tr>
<td></td>
<td>&gt; IDR 2.5 – 3.5 million /month</td>
<td>51</td>
<td>16.8</td>
</tr>
<tr>
<td></td>
<td>&gt; IDR 3.5 – 4.5 million /month</td>
<td>31</td>
<td>10.2</td>
</tr>
<tr>
<td></td>
<td>&gt; IDR 4.5 million /month</td>
<td>64</td>
<td>21.1</td>
</tr>
<tr>
<td>types of fashion products purchased</td>
<td>T-shirts</td>
<td>136</td>
<td>44.9</td>
</tr>
<tr>
<td></td>
<td>Shirt</td>
<td>68</td>
<td>22.4</td>
</tr>
<tr>
<td></td>
<td>Trousers</td>
<td>56</td>
<td>18.5</td>
</tr>
<tr>
<td></td>
<td>Jacket</td>
<td>31</td>
<td>10.2</td>
</tr>
<tr>
<td></td>
<td>Bag</td>
<td>2</td>
<td>0.7</td>
</tr>
<tr>
<td></td>
<td>Hat</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>7</td>
<td>2.3</td>
</tr>
<tr>
<td>promotional media</td>
<td>Instagram</td>
<td>150</td>
<td>49.5</td>
</tr>
<tr>
<td></td>
<td>Uniqlo Store</td>
<td>139</td>
<td>45.9</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>14</td>
<td>4.6</td>
</tr>
</tbody>
</table>

From the table above, it can be seen that the most respondents were women, aged between 20 up to 30 years old. Most of the respondents had income Up to IDR 1.5 million /month, mostly buy T-shirts and shirts, and most often access Instagram to see uniqlo promotions.
Hypothesis Testing Result

Using AMOS software, the research model is presented as follows:

![Research Model Diagram]

Figure 2: The research model

The results of the goodness of fits are shown in Table 1, as follows:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Value</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMIN/DF</td>
<td>2.365</td>
<td>Fit</td>
</tr>
<tr>
<td>GFI</td>
<td>0.832</td>
<td>Marginal</td>
</tr>
<tr>
<td>AGFI</td>
<td>0.800</td>
<td>Fit</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.067</td>
<td>Fit</td>
</tr>
</tbody>
</table>

Table 3: Goodness of Fit results

The results shown in the table were the results analyzed using AMOS application. The results show that the value of CMIN/DF is 2.365, RMSEA 0.067, GFI 0.832, and AGFI 0.800. From the results, it can be concluded that research model was acceptable to further treatment. Therefore, hypothesis process can continue to the interpretation of the structural relationships between variables.

The method used to determine the results of the hypothesis testing was by comparing the probability value (P) with 0.05. There are four hypotheses namely hypothesis one (H1), hypothesis two (H2), hypothesis three (H3), and hypothesis four (H4). If a hypothesis had probability value less than 0.05, it is said that the hypothesis was supported by the truth, if the probability value was greater than 0.05, then the hypothesis in the study was not supported by the truth (sample data).
Table 4: The Probability Value Among the Variables

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Probability</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital Marketing → Purchase Intention</td>
<td>0.026</td>
<td>Significant</td>
</tr>
<tr>
<td>Brand Image → Purchase Intention</td>
<td>0.693</td>
<td>Not Significant</td>
</tr>
<tr>
<td>Price Perception → Purchase Intention</td>
<td>0.005</td>
<td>Significant</td>
</tr>
<tr>
<td>Purchase Intention → Brand Loyalty</td>
<td>0.000</td>
<td>Significant</td>
</tr>
</tbody>
</table>

From the table above, it can be concluded there are three hypotheses that were supported by the sample data and there is one hypothesis that was not supported by the sample data.

Hypothesis 1 (H1) was accepted, because the relationship between digital marketing activities and purchase intention had a probability value of 0.026 which was a value lower than 0.05 so that digital marketing affect purchase intention positively and significantly. Currently, the development of promotional activities through innovative and vigorous digital marketing activities is popular in Indonesia; This is because consumers in Indonesia will be more interested in fashion products as hedonic products introduced through digital channels, which are considered to show the quality of design and follow existing trends. This result is in line with several studies that state that using online marketing on social media can increase brand awareness and sales in various products, such as online based brand community product (Jibril et al., 2019), green products (Sun & Wang, 2020), handicraft products (Guha et al., 2021), and airline product and services (Moslehpour et al., 2021).

Hypothesis 2 (H2) was not accepted, because the relationship between brand image and purchase intention had a probability value of 0.693 which was a value greater than 0.05 so that brand image did not affect purchase intention. This is not in line with many researches from states that good brand image will affect purchase intention, such as research (Y. Li et al., 2020; Shi & Jiang, 2022). Although it has long existed in Japan, the Uniqlo brand has not long been introduced and sold in Indonesia. The Uniqlo brand is sold through traditional marketing channels that seem luxurious, such as in malls; there are also intensive digital marketing activities to promote the Uniqlo brand. Because it is sold in malls, consumers in Indonesia think the quality of the product is good, so even though the Uniqlo brand has not been perceived as having a good reputation, consumers are still interested in buying it.

Hypothesis 3 (H3) was accepted, because the relationship between price perception activities and purchase intention had a probability value of 0.005 which was a value lower than 0.05 so that price perception affect purchase intention positively and significantly. In Indonesia, the price of Uniqlo products is relatively expensive; In addition to perceived good quality products, product placement in malls requires prices to be quite expensive so that consumers perceive Uniqlo products as quality products. This is in line with the research from (Rai & Narwal, 2022) which states that Perceived price fairness positively impact customers’ purchase intentions through seller price image dimensions.

But hypothesis 4 (H4) was accepted, because the relationship between purchase intention and brand loyalty had a probability value of 0.000 which was a value much lower than 0.05 so that purchase intention affect customer loyalty. The willingness Indonesia’s consumers to buy fashion products at high prices usually shows consumer loyalty to the brand. Moreover, Uniqlo continues to innovate its product design in order to continue to follow the development of fashion trends in Indonesia, especially among the younger generation. This is in line with the research from (Omoregie et al., 2019) which states that satisfaction after purchase, service quality and trust had significant effect on loyalty, with satisfaction having the most significant effect.

Conclusions

Based on the research, from the respondent profiles, the ratio of women is higher than men. Most of the respondents possess bachelor’s degree and have income less than IDR 1.5 million per month. mostly buy T-shirts and shirts, and most often access Instagram to see Uniqlo fashion promotions.

From hypotheses testing results, it shows that price perception corporate image and digital marketing promotion activities have significant and positive effects on purchase intention, while brand image do not directly have significant effect on purchase intention. Furthermore, purchase intention has significant effect on customer loyalty.

The suggestions for further research: (i) Uniqlo’s promotional activities through digital marketing should be managed properly and their quality improved. considering that many Indonesian consumers access digital media, digital marketing platforms can be expanded, for example via tick tok, twitter and others; (ii) Uniqlo must manage its product pricing policy carefully, and always pay attention to the price movements of competitors. customer reviews regarding price perceptions must be monitored periodically to ensure Uniqlo product prices remain affordable and perceived quality is appropriate; (iii) in future research, researchers are expected to be able to find and analyze new independent variables that can influence purchasing decisions and also customer loyalty, such as product quality and marketing channel. Also, questionnaire should be short, concise and clear and easy to understand.
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All authors have read and agreed to the published version of the manuscript.

Author Contributions: Conceptualization, NBA., SS.; Methodology, NBA., SS.; Data Collection, NABA.; Formal Analysis, NBA., SS.; Writing—Original Draft Preparation, NABA., SS.; Writing—Review and Editing, NBA., SS.; All authors have read and agreed to the published final version of the manuscript.

Institutional Review Board Statement: Ethical review and approval were waived for this study, due to that the research does not deal with vulnerable groups or sensitive issues.

Data Availability Statement: The data presented in this study are available on request from the corresponding author. The data are not publicly available due to privacy.

Conflicts of Interest: The authors declare no conflict of interest.

References


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