

THE MEDIATING ROLE OF BRAND IMAGE IN THE EFFECT OF PRICE FAIRNESS ON CONSUMER PURCHASE DECISION (A Study on NVN Urban Café Consumers)

Putu Agung Novan Surya Saputra

Faculty of Economics and Business, Udayana University
Author correspondence email: novansuryasaputra@gmail.com

Tjokorda Gde Raka Sukawati

Faculty of Economics and Business, Udayana University

Abstract

The food and beverage industry is currently one of the most promising sectors in Indonesia. Many entrepreneurs are interested in venturing into this field, often realized through the establishment of various coffee shops. One such establishment in Denpasar City is NVN Urban Café. This study aims to analyze the effect of price fairness on purchase decisions, mediated by brand image. The sample consists of 100 respondents who are visitors of NVN Urban Café. The sampling technique employed is purposive sampling. This study utilizes path analysis, the Sobel test, and the Variance Accounted For (VAF) test. The results indicate that price fairness has a positive and significant effect on purchase decisions; price fairness also has a positive and significant effect on brand image; brand image positively and significantly affects purchase decisions; and brand image mediates the relationship between price fairness and purchase decisions.

Keywords: Brand Image, Purchase Decision, Price Fairness

INTRODUCTION

The food and beverage industry is currently one of the most promising sectors in Indonesia (Rifai et al., 2023). Many entrepreneurs are interested in establishing businesses in this sector, often realized through the creation of various coffee shops. As service-based businesses, each coffee shop strives to provide the best quality and services to its customers (Koestartyod et al., 2016). This condition demands that each company rely on highly competent human resources who can be counted on to navigate intense competition and meet evolving lifestyle needs.

The coffee shop business has become a widespread topic of discussion within society, serving not only beverages but also creating unique social experiences (Lindiani et al., 2024). Undeniably, competition exists everywhere in the economy in general, and even within the vicinity of each business. The emergence of competing new products, technological advancements, and rapid changes in legislation and government policies compel business actors to continue competing to survive and fulfill consumers' expectations and desires (Febriani & Dewi, 2019).