



Effect of Promotion, Quality of Service and Price on Competitiveness With Brand Image as an Intervening Variable at Ibu Suparni Boutique

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Abstract: The Influence of Product Quality, Service Quality and Price to Competitiveness with Citra Merek as Intervening Variable (Case Study on Suparni Boutique Boutique). This study aims to determine (1) the effect of Product Quality on Competitiveness on Suparni Butik (2) the influence of Service Quality on Competitiveness in Suparni Butik (3) Price Influence on Competitiveness in Suparni Boutique Boutique (4) Product Quality Influence to Citra Merek at Butik IBu Suparni (5) the influence of Service Quality to Citra Merek on Suparni Butik (6) Price Influence on Citra Merek on Suparni Boutique (7) Citra Merek influence to Competitiveness on Suparni Boutique Boutique. This research uses saturated sampling technique. The population of this research is all customer of Mrs. Suparni which amounted to 210 people. This research method uses quantitative research method with LISREL computer program and Structural Equation Modeling (SEM).The result of the research shows that there is a significant influence of Product Quality on Competitiveness in Suparni Boutique Boutique with the value of T Statistics $5,46 \geq 1.96$. There is a significant influence of Service Quality on Competitiveness at Suparni Boutique Boutique with the value of T Statistics is $6.19 \geq 1.96$. There is a significant influence on the Competitiveness of Competitiveness in Suparni's Boutique Boutique with the value of T Statistics is $8.03 \geq 1.96$. There is no significant effect of Product Quality on Citra Merek on Suparni Boutique Bout with T Statistics is $1.83 \leq 1.96$. There is no significant effect of Service Quality on Citra Merek on Suparni Boutique with T Statistics is $1.56 \leq 1.96$. There is no significant effect on Citra Merek Prices on Suparni Boutique Boutiques with T Statistics Being $0.54 \leq 1.96$. There is no significant effect of Citra Merek on Competitiveness in Suparni's Boutique Boutique with the value of T Statistics is $0.53 \leq 1.96$

Keywords: Product Quality, Service Quality, Price, Citra Merek, Competitiveness, Structural Equation Modeling, LISREL

INTRODUCTION

Small and Medium Enterprises (SMEs) are a stimulus or driver for the economy in Indonesia. Micro, Small and Medium Enterprises (SMEs) do not only make a real contribution to GDP but can also absorb labor, equitable distribution of development results and poverty alleviation. It must also be acknowledged that SMEs have played a role as security for the national economy during the crisis. This can be seen during the monetary crisis in Indonesia when large entrepreneurs suffered huge losses, but SMEs could stand without any shocks. According to Bank Indonesia 2005, SMEs are one of the driving forces in developing the country's economy. Small and Medium Enterprises (SMEs) also play a role as an important resource for economic growth and non-oil and gas exports which directly contribute to increasing people's income. existing market because it has capital that has not been established. Therefore, the growth of SMEs is very difficult to detect. From a macroeconomic perspective, the development of SMEs always shows improvement.

One of the factors that influence the development and growth of SMEs is competitiveness, which is determined by the ability of human resources to produce quality goods, service quality, and prices. In this case, what has become a competitor for SMEs in Indonesia is the rise of products from abroad, such as apparel, both new and used. These foreign products received a good response from the people of Indonesia because they have good quality, affordable prices, and designs that people like. Limitations that SMEs have, such as promotions, which are still standard when compared to products from large or foreign companies because SMEs have limited tools such as machines so the promotion is standard in the country. Companies that do not have competitiveness will be left behind by the market. Because it does not have competitiveness, it means it does not have advantages, and it is not superior. It means that there is no reason for a company to survive in a competitive market for the long term. Competitiveness Relates to How effective an organization is in a competitive market, compared to other organizations offering the same or similar products or services. Companies that are able to produce good quality products or services are effective companies in the sense that they will be able to compete. Porter (1995:5) says: "competition is at the core of the success or failure of firms. Competition is at the core of a company's success or failure. There are two sides caused by competition, namely the side of success because it encourages companies to be more dynamic and competitive in producing products and providing the best service for their markets, so that competition is considered as a motivating opportunity. While the other side is failure because it will weaken companies that are static, afraid of competition and unable to produce quality products, so that competition is a threat to the company. In this study, researchers will only examine Promotion, Service Quality, and Price as factors that influence Competitiveness.

The phenomenon that occurs at the IBu Suparni Boutique is that the quality of the products at the IBu Suparni Boutique still have deficiencies such as untidy stitches, skipping stitches, buttons that are not strong so they come off easily, there are still faded and hot fabrics so there are still consumers who complain because feel dissatisfied. IBu Suparni's boutique also has limited technology and facilities in serving consumers, such as not having a very large place like in a factory, IBu Suparni's boutique has a small place. Even working in private homes and assisted by his family, therefore lack of service facilities for arriving consumers such as lack of room for waiting, room heat because there is no air conditioning, therefore it is necessary for the IBu Suparni Boutique to have adequate facilities so that consumers feel comfortable when visiting, provide a comfortable waiting area, provide a TV so consumers don't get bored waiting, provide a cool place with a fan or air conditioning, provided drinking water.

IBu Suparni Boutique still offers relatively low prices because consumers want their products to be quickly in demand, besides that IBu Suparni Boutique also produces in private

homes or small shop houses, therefore they haven't paid so much tax that they are still able to provide relatively cheap prices. According to Sunarto (2004: 206) Price is the sum of all values exchanged by consumers for the benefits of owning or using the product or service. Price determines whether a supermarket, minimarket, or supermarket is visited by many consumers or not. The price factor also influences a buyer to make a decision. Prices are also related to discounts, gift coupons, and sales policies.

IBu Suparni Boutique is a small business, the importance of having a brand image/identity so that customers can memorize the product names produced without a brand image, consumers will find it difficult to find products marketed again. According to (Kotler, 2006) Brand Image is a differentiator between a product or service from other products through a name, term, sign, symbol, or design, or a combination of these. Brand Image will describe a set of uses, advantages and services that are consistently provided by sellers to buyers.

Based on the background above, the authors are interested in taking the research title on "The Effect of Promotion, Service Quality And Price On Competitiveness Through Brand Image As An Intervening Variable At Ibu Suparni Boutique.

Thinking Framework

To explain the relationship between independent variables, dependent variables and intervening variables in this study, it can be described as follows:

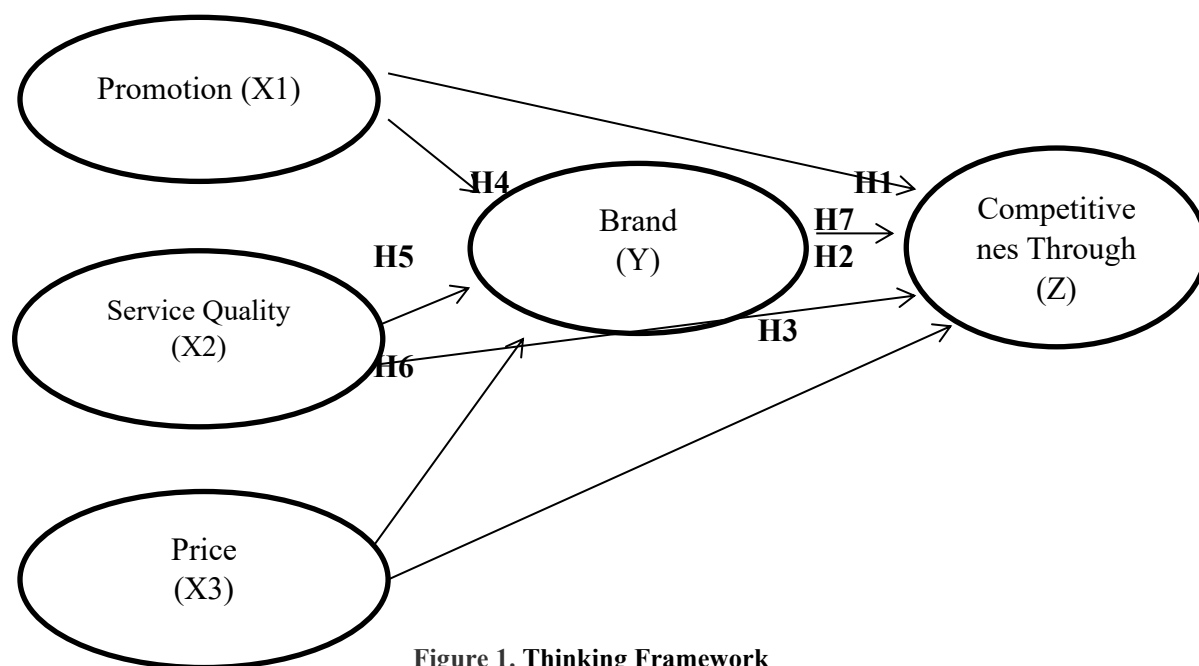


Figure 1. Thinking Framework

Based on the description of the framework and the results of the empirical studies above, the researcher proposes several hypotheses in this study as follows:

- H1: Promotion has a significant effect on competitiveness at the IBu Suparni Boutique.
- H2: Service Quality Has a Significant Influence on Competitiveness at IBu Suparni Boutiques.
- H3: Price has a significant effect on competitiveness at the IBu Suparni Boutique.
- H4: Promotion has a significant effect on brand image at the IBu Suparni boutique.
- H5: Service Quality Has a Significant Influence on Brand Image at the IBu Suparni Boutique.
- H6: Price has a significant effect on brand image at the IBu Suparni boutique.

H7: Brand Image Has a Significant Influence on Competitiveness at the IBu Suparni Boutique.

Research Methods

The method in this study uses a quantitative analysis method, namely research that emphasizes its analysis on data in the form of numbers obtained by statistical methods and hypothesis testing is then carried out to obtain the significance of the relationship between the variables studied. The research was conducted at the IBu Suparni Boutique UKM, which is located at Bulaksari RT 01 RW 08, Nglorog, Sragen, Central Java. The time of the research was conducted in April - June 2017. The sampling method used was non-probability sampling, namely a sampling technique where not all members of the population are in the same position and have the same opportunity to be selected as samples. The sampling method uses accidental sampling, i.e. this form of sampling is based on coincidence, that is, anyone who happens to meet the researcher and is deemed suitable to be a data source will be the sample of this study (Sugiyono, 2004).

FINDINGS AND DISCUSSION

Results of Research Structural Model Test and Resume Significance Hypothesis Test

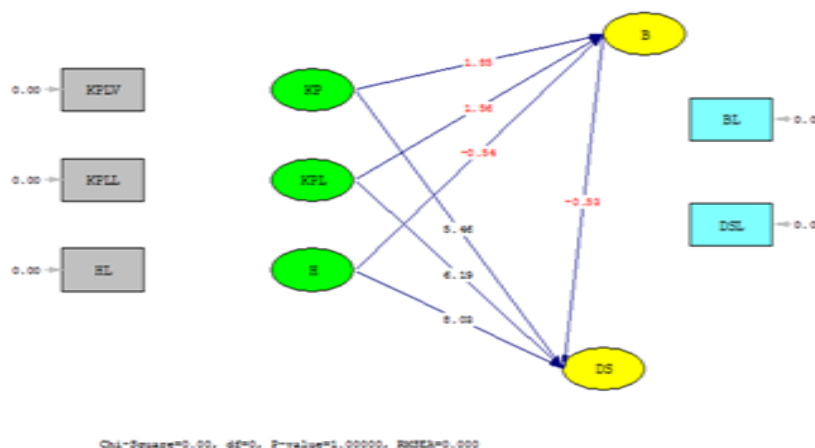


Figure 2. Structural Model Test and Resume Significance Hypothesis Test

It can be seen in the figure above that the P variable has no effect on brand image because the SLF value is 1.85, the PL variable has no effect on brand image because the SLF value is 1.56, Likewise the price variable has no effect on brand image showing a value of -0.54. In contrast to the P variable on DS that has an effect of 5.46, the PL variable has an effect on DS of 6.19 and the price has an effect on DS of 8.03. Brand image endogenous variables do not affect the DS variable of 0.53.

Testing the significance of the effect of each exogenous variable (independent variable) on the endogenous variable (dependent variable) is carried out by comparing the t statistical value with the t table. The ttable value for testing the hypothesis of this study was determined by a two-tailed test with $\alpha = 5\%$, the ttable value of 1.96 was obtained. If the value of the t statistic $>$ t table then it is proven that there is a significant influence between exogenous to endogenous variables, conversely if the value of the t statistic is $<$ table t it is proven that there is no significant effect between exogenous to endogenous variables. The results of t statistics can be seen in the table below:

Table 1. Results of t Statistics

Relationship/Influence Between Latent Variables	t value count	Standard Coefficient	Conclusion of the Significance of the Hypothesis Test Results
H1: There is a positive relationship/influence between the latent variable P (Promotion) and DS (Competitiveness)	5.46	0.29	H1 is accepted, t value > 1.96 there is a positive relationship/influence between P and DS
H2: There is a positive relationship/influence between the OT (Service Quality) latent variable and DS (Competitiveness)	6.19	0.31	H2 is accepted, t value > 1.96 there is a positive relationship/influence between PL and DS
H3: There is a positive relationship/influence between the latent variable H (Price) on DS (Competitiveness)	8.03	0.41	H3 is accepted, t value > 1.96 there is a positive relationship/influence between H and DS
H4: There is a positive relationship/influence between latent variables P (Promotion) on B (Brand Image)	1.85	0.22	H4 is rejected, because the t value <1.96, there is no relationship or influence between the variable P on B
H5: There is a positive relationship/influence between PL latent variables (Service Quality) on B (Brand Image)	1.56	0.20	H5 is rejected, because the t value <1.96, there is no relationship or influence between the PL variable on B
H6: There is a positive relationship/influence between the latent variable H (Price) on B (Brand Image)	- 0.54	- 0.06	H6 is rejected, because the t value <1.96, there is no relationship or influence between the H variable on B
H7 : There is a positive relationship/influence between latent variable B (Brand Image) on DS (Competitiveness)	- 0.53	- 0.02	H7 is rejected, because the t value <1.96, there is no relationship or influence between variable B on DS

CONCLUSION

Based on the analysis and discussion, the conclusions of this study are as follows:

1. There is a significant effect of Promotion on Competitiveness at the IBu Suparni Boutique. This is based on the results of data processing with LISREL-SEM which shows the T Statistics value is 5.46 greater than 1.96. Good, neat, elegant promotions make customers satisfied so that there is a significant effect of promotion on the competitiveness of Ms. Suparni's boutique when viewed from the distribution of respondents' answers to the statements in the research questionnaire.
2. There is a significant influence of Service Quality on Competitiveness at the IBu Suparni Boutique. This is based on the results of data processing with LISREL-SEM which shows the T Statistics value is 6.19 greater than 1.96. Providing special service that is better than other boutiques, employees who are solid and empathetic to customers make there a significant influence of Service Quality on Competitiveness at the IBu Suparni Boutique when viewed from the distribution of respondents' answers to the statements in the research questionnaire.
3. There is a significant effect of price on competitiveness at the IBu Suparni Boutique. This is based on the results of data processing with LISREL-SEM which shows the value of T Statistics is 8.03 more than 1.96. Prices are not too expensive compared to other boutiques so as to attract the attention of customers. There is a significant effect of price on competitiveness at the IBu Suparni Boutique when viewed from the distribution of respondents' answers to the statements in the research questionnaire.
4. There is no significant effect of Promotion on Brand Image at IBu Suparni Boutique. This is based on the results of data processing with LISREL-SEM which shows the value of T

- Statistics is 1.83 more than 1.96. Customers only focus on promotions that are obtained and are satisfied with the tastes of customers so that customers do not pay attention to a brand/brand image so that there is no effect of promotion on brand image at IBu Suparni Boutique when viewed from the distribution of respondents' answers to the statements in the research questionnaire.
5. There is no significant effect of Service Quality on Brand Image at IBu Suparni Boutique. This is based on the results of data processing with LISREL-SEM which shows the value of T Statistics is 1.56 less than 1.96. When customers receive good service and employees and boutique owners embrace customers so that customers are satisfied with the facilities provided, the customer does not pay attention to the brand/brand image of the product, which is the reason that there is no significant effect on service quality on brand image at the IBu Boutique. Suparni when viewed from the distribution of respondents' answers to the statements in the research questionnaire.
 6. There is no significant effect of price on brand image at the IBu Suparni boutique. This is based on the results of data processing with LISREL-SEM which shows the T Statistics value is 0.54 less than 1.96. Affordable prices from the pockets of customers and good promotions make customers not pay attention to a brand/brand image of the product, which is the reason that there is no significant effect on price on brand image at IBu Suparni Boutique when viewed from the distribution of respondents' answers to the statements in the research questionnaire.
 7. There is no significant effect of Brand Image on Competitiveness at the IBu Suparni Boutique. This is based on the results of data processing with LISREL-SEM which shows the T Statistics value is 0.53 less than 1.96. In competing for the market, the most important thing is that customers get products according to taste, good promotions, affordable prices are not too expensive, so customers don't pay attention to a brand image of a product which is the cause of no influence of brand image on competitiveness at the IBu Suparni Boutique if seen of the distribution of respondents' answers to the statements in the research questionnaire.

Advice

1. For the IBu Suparni Boutique
 - a. The IBu Suparni boutique is expected to create a brand image or label for its products so that consumers will remember it more so that it will be better known by the public at the national level and easier for many people to remember when competing in the market.
 - b. IBu Suparni's boutique to produce more clothing collections such as clothes which usually produce 20 clothes in one month to 50 clothes in one month, robes that vary according to age, and add clothes for children under 20 years of age whose models are lace. So that consumers do not feel disappointed because the product has run out.
 - c. IBu Suparni's boutique to improve promotions such as neater stitching, replacing materials with smooth ones, which do not fade so that customers feel comfortable when wearing these clothes.
2. For Further Researchers
 - a. Future researchers can conduct research by adding research variables because there are still 13.2% in this study explained by other variables.
 - b. Future researchers are advised to add other methods in researching the performance of Finance Bureau employees, for example in-depth interviews with employees, so that the information obtained is more varied and complete than a questionnaire whose answers are already available

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