

Analysis of Brand Image and Excellent Service of Indomaret Minimarket on Purchasing Decisions with Innovation as Mediation during the Pandemic

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Abstract

This research aims to analyze the influence of Brand Image and Excellent Service in Indomaret minimarkets on Purchasing Decisions with Innovation as a mediator during the pandemic. This research uses the Structural Equation Modeling method. SEM allows the analysis of a series of relationships simultaneously, provides flexibility in assumptions, and allows the testing of models with many dependent variables. The sampling method used was convenience sampling, involving 252 respondents. The results of the analysis show that Brand Image has a positive and significant influence on Innovation and Purchasing Decisions at Indomaret. Excellent Service also has a positive and significant influence on Innovation but does not have a direct significant influence on Purchasing Decisions. Innovation has a positive and significant influence on Purchasing Decisions. This research concludes that Brand Image has an important role in influencing Innovation and Purchasing Decisions at Indomaret. Excellent Service influences Innovation but does not directly influence Purchasing Decisions. Innovation has a significant role in influencing Purchasing Decisions. Therefore, companies need to maintain and strengthen a positive brand image, continue to improve service quality, and innovate to remain competitive in the market, especially in a pandemic situation.

Keywords: Brand Image, Excellent Service, Purchasing Decisions, Innovation.

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1. Introduction

The Modern retail first appeared in Indonesia after establishing the Sarinah Department Store in 1962 (Pandin, 2009). In the 1990s, foreign retail entered Indonesia after the government permitted foreign retail businesses based on Presidential Decree No. 99 of 1998. Before this policy was implemented, there were substantial restrictions on foreign retail in Indonesia. Currently, various modern retail formats operate in Indonesia, including modern markets, supermarkets, department stores, boutiques, factory outlets, specialty stores, trade centers, and malls/supermarkets/plazas. These formats continue to develop according to economic developments, technology and lifestyle changes (Aramiko, 2011; Pandin, 2009).

However, from Rhenald Kasali's (2018) observations, there has been a shift in consumer behavior where many retail companies have announced potential bankruptcy after years of operation. This change is not only about the conflict between the traditional generation and the digital generation but also about world changes that affect the economy and life. As a result, many conventional companies began experiencing difficulties, with some declaring bankruptcy. This can be seen in various large retail companies, such as Papyrus stores, Lucky Market, JC Penney, and Toys "R" Us. In Indonesia, several companies also face similar challenges. For example, 7-Eleven has experienced declining sales since 2014, Ramayana Lestari Sentosa closed several of its outlets in 2017, and Hypermart was trapped in debt, which forced them to close several outlets and carry out massive layoffs of employees. Thus, shifts in consumer behavior and technological developments have significantly changed the business landscape, and companies that do not adapt to these changes risk financial difficulties and even bankruptcy.

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Economic conditions have become increasingly complex with the pandemic declared by WHO starting March 11, 2020. This pandemic is not related to the severity of the disease but rather to its rapid geographical spread due to high global mobility. Most countries implemented quarantine and lockdowns, especially after India experienced a pandemic tsunami due to mass crowds. This has resulted in a decline in economic activity and consumption, a reduction in the workforce, and a sluggish economic situation (Aeni, 2021; Firdha Aprillia, n.d.; Seto & Septianti, 2021; Yusuf & Anthoni, 2020), which is increasingly hitting retail businesses in Indonesia.

One of the retailers that exists in Indonesia is Indomaret. Indomaret was founded in 1988 to make it easier for employees to meet their daily needs. In its development, Indomaret now has 18,708 outlets spread across various regions in Indonesia. During the pandemic, as a retail company, Indomaret faced financial challenges. This situation was caused by drastic changes in consumer shopping behavior, who increasingly turned to online platforms to meet their needs.

The emergence of online shopping as a primary option for consumers during the pandemic has led to dramatic changes in the retail landscape. Several traditional retail companies have suffered heavy losses and were forced to declare bankruptcy. This is due to the reduced number of customers coming to physical stores. Most consumers prefer to shop from home, avoiding crowds and potential exposure to the virus. To survive, many retail companies have been forced to restructure and transform their businesses, focusing on increasing their online presence, offering delivery services, and looking for ways to maintain strong relationships with their customers through digital channels. In a pandemic situation, retail companies must actively adapt and seek innovation to remain relevant and competitive amidst rapid changes in consumer behavior during the pandemic.

Companies depend on customers for their existence, so companies must focus on attracting and retaining customers through competitive offers and satisfaction, resulting in purchasing decisions (Astuti & Amanda, 2020; Fatihudin & Firmansyah, 2019; Wijayani, 2012). A purchasing decision is when a consumer decides whether to buy a product. In this process, consumers consider quality, price, and the extent to which the product is known to the public (P. and K. L. K. Kotler, 2016b). Purchasing decisions are influenced by various factors such as economics, technology, politics, culture, products, prices, locations, promotions, physical evidence, people, and processes, and these shape consumer attitudes and the final results in product selection (Buchari, 2011). The purchasing process starts from awareness of a need or desire and goes through certain stages until reaching a post-purchase evaluation (Indrasari, 2019).

Apart from that, the primary key to winning competition is innovation (Masda, 2013), the company's leading source of growth (Yuliza, 2017). Product innovation is significant in marketing because it can increase product value and create better consumer solutions (Pattipeilohy, 2018). Innovation, both in processes and products, increases a company's ability to create quality products, influencing consumers' competitive advantage and purchasing intentions (Lestari, 2019).

Indomaret serves all levels of society by better understanding consumer needs and behavior in shopping. Indomaret understands that people choose modern outlets because of their complete product choices, competitive prices and comfortable atmosphere. One of Indomaret's strategies for continuing to expand is to maintain its brand. Brand image is a collection of beliefs about a brand. This image reflects the public's perception of the company or its products, which is influenced by external factors that the company cannot control (Alfionita, 2017; Ningsih, 2022). To create a compelling image, it is necessary to reinforce product characteristics and company values, uniquely convey them without confusion with competitors, and provide a solid emotional dimension (Simamora, 2002; Sudirjo, 2023). This image must be integrated into all brand communications and maintained well. A positive image not only supports consumer product selection but also influences customer attitudes and satisfaction with the company (Silviani & Darus, 2021; Susanto & Wijarnako, 2004).

Indomaret has succeeded in maintaining a positive image in the eyes of consumers, which has influenced shopping decisions. Indomaret is known as one of the leading minimarket brands in Indonesia with an image of fast, comfortable and quality service. During the pandemic, when many consumers look for alternatives for safe and efficient shopping, this image is more important than ever. Indomaret has innovated quickly to accommodate customer needs during the pandemic. Indomaret is increasing cleanliness and safety protocols in their stores, such as providing hand washing facilities, limiting the number of customers allowed to enter, and implementing social distancing. This provides a sense of security for consumers and strengthens Indomaret's image as a place to shop that cares about customer welfare. Apart from that, Indomaret has also expanded its product delivery services through its online platform. This allows consumers to shop more conveniently from home, which fits with the increasing trend of online shopping during the pandemic. A strong brand image as a trusted service provider has been a critical factor in their success in retaining and attracting customers during difficult times.

Furthermore, Indomaret also continues to improve its superior services. Superior services have significant economic value. A company's success depends on customers, and its goals include maximizing profits, maintaining market share, leading in quality, facing competitors, fulfilling social responsibilities, and so on (Rahmayanty, 2013). Indomaret's superior service during the pandemic has been a critical factor in maintaining customer trust and market share. During this challenging period, Indomaret has taken several steps to ensure their service remains friendly, professional and always ready to help customers. All employees are encouraged to more intensively clean public areas, provide hand washing facilities, and implement social distancing protocols to provide a sense of security to customers who come to shop. Indomaret responds to customer needs by providing delivery and delivery service solutions to enable customers to shop from home.

During the pandemic, Indomaret's superior service has become an essential foundation in maintaining customer trust and ensuring that they continue to choose Indomaret as their primary shopping place. This quality of service has helped Indomaret retain its loyal customers and maintain its brand image as a shop that is always ready to help customers with their daily needs.

2. Literature Review

2.1. Brand Image

Brand image is a collection of beliefs and associations consumers hold towards a brand, reflected in their memories (Philip Kotler et al., 2019). This brand image is influenced by various factors beyond the company's control. To create a compelling brand image, several necessary steps need to be taken: It is necessary to strengthen product characteristics and company values. The image must be conveyed in a way that differentiates the brand from competitors. The brand image must have an emotional element that is more than just a mental image (Musay, 2013; Sawlani, 2021; Soliha & Fatmawati, 2017). To achieve this, the brand image must be conveyed through the various communication means available in the brand's interactions with consumers. Brand Image Indicators, according to Kotler and Keller (2016a), include several main elements:

1. Brand Identity includes everything that makes a brand or product easily recognized by consumers and differentiates it from other brands or products, which can include visual elements such as logos, designs, colors and verbal elements such as brand names.
2. Brand Personality reflects the unique characteristics or brand personality that forms an emotional connection with consumers. In this case, the brand is given attributes or characteristics that make it similar to human personality so that consumers can easily differentiate it from other brands.
3. Brand Association refers to the concept or image associated with the brand. It can be a relationship with certain qualities, values, or images that consumers hope to associate with the brand.
4. Brand Attitude and behavior includes consumer attitudes and behavior towards brands. Attitude includes consumers' feelings and opinions towards a brand, while behavior refers to how consumers interact with it, whether they buy it consistently, recommend it, etc.
5. Brand Benefit and competence relate to the benefits and competencies associated with the brand. This includes what the brand offers consumers and the brand's competency or ability to provide those benefits.

2.2. Excellent Service

Service is an action offered by an individual or organization to a customer and is intangible. Excellent service, also known as excellent service, complies with applicable standards and satisfies customers according to expectations (Rahmayanty, 2010). Services have economic value because customers are the key to a company's success. With customers, a company can survive. Therefore, attracting and retaining customers is the company's main task, focusing on customer satisfaction (Qomariah, 2016; Suryati, 2015). There are ten main dimensions of service quality (Philip Kotler & Keller, 2012):

1. Reliability by providing consistent and reliable services by the company's promises and good track record.
2. Responsiveness is the speed in responding to customer needs and providing services quickly and accurately.
3. Competency is the employee's skills and knowledge to meet customer needs.
4. Access is the ease customers can contact or approach the company and minimal waiting time.
5. Politeness is the attitude and friendliness of employees in interacting with customers.

6. Communication is carried out by conveying information clearly and listening to customer suggestions and complaints.
7. Credibility is the impression of honesty and trustworthiness, including a company's reputation and customer interactions.
8. Security, by ensuring customers' physical, financial, privacy and confidentiality safety.
9. Ability to Understand Customers by understanding customer needs, providing individual attention, and getting to know regular customers.
10. Physical Evidence, namely physical appearance, equipment, personnel and company communication materials.

2.3. Innovation

Innovation is the implementation of ideas into new and valuable things that include products, processes and quality (Wijaya et al., 2019). Innovation is about creating value and the process of creating new things. The source of innovation can be internal, such as through a company's research and development efforts (Suhaeni, 2018). External sources include customer information, suppliers, competitors, and parties that complement the company's business. Absorptive capacity, or a company's ability to understand and use new information, is essential in delivering innovation (Lestari, 2019). Successful innovation creates a competitive advantage and provides added value for customers. Innovation strategy involves decisions about where to develop products and requires a solid commitment to product innovation and activities that support company goals (Lestari, 2019; Supranoto, 2009).

There are four dimensions of innovation used to categorize innovation (Schilling, 2015), namely product versus process innovation, radical versus incremental innovation, innovation that increases versus destroys competence, and component innovation versus architecture.

1. Product innovation and process innovation relate to the results of an organization, such as goods or services. Meanwhile, process innovation refers to changes in business implementation methods, such as production or marketing.
2. Radical innovation and Incremental innovation are changes that are drastic and different from previous solutions, while incremental innovation is a small change or adjustment to existing practices.
3. Innovation increases versus destroy competence. An innovation can increase the competence of one company but can damage the competence of another company.
4. Component and architectural innovation: component innovation is a change in one or more elements that is not significant for the overall configuration of the system. Meanwhile, architectural innovation changes the design of the entire system or the way components interact with each other.

2.4. Buying Decision

Purchasing decisions are the act of consumers choosing between various product options (Arfah, 2022). In this process, consumers consider factors such as quality, price, and general level of knowledge about the product. The purchasing decision stages include problem recognition, information search, alternative evaluation, final decision, and post-purchase behavior (Kholidah & Arifiyanto, 2020). According to Phillip Kotler (2015), the main concepts in measuring consumer purchasing decisions include:

- a. Benefit Association
Consumers find benefits in purchasing products and associate them with brand characteristics.
- b. Purchasing Priority
Consumers buy a product if the company offers a better product than its competitors
- c. Purchase Frequency
If consumers are satisfied with the product, they will often buy it when they need it.

3. Research Method and Materials

This research has a population of consumers in five regions: Medan, Jabotabek, Bandung, Surabaya and Makassar. Respondents were consumers who shopped at the Indomaret minimarket during the COVID-19 pandemic and the implementation of restrictions on community activities.

This research method uses PLS Smart Structural Equation Modeling (SEM) statistical analysis, which allows the analysis of a series of relationships simultaneously. Structural Equation Modeling (SEM) is a multivariate statistical

analysis method different from regression or path analysis. Compared with multiple regression, SEM has several advantages, including flexibility in assumptions, the use of confirmatory factor analysis to minimize measurement error, a graphical interface that helps read analysis results, overall model testing, the ability to test models with many dependent variables, modeling intermediate variables, modeling error interference, testing coefficients between groups of subjects, as well as handling complex data such as time series data with autocorrelation, abnormal data, and incomplete data (Ghozali & Latan, 2015)

The sampling method used in this research is convenience sampling, namely, taking samples strategically located around the respondent's location. To determine the sample size, because the research involves 34 indicators, a minimum of 5 x 34 or 164 respondents is needed. However, from the distribution results, the data that was successfully processed was 252 respondents.

4. Result and Discussion

4.1. Characteristics of Respondents

The respondents of this research are residents from five big cities in Indonesia, namely Jabotabek, Makasar, Surabaya, Bandung and Medan, who often shop for their daily needs at the Indomaret minimarket. Most are women (54%) compared to men (46%). Regarding age, most respondents were between 17 and 23 (56%), indicating the dominance of the younger age group. However, most age groups were present in this survey, including 24 to 37-year-olds (22.2%), 38 to 45-year-olds (12.3%), 46 to 55-year-olds (17.5%), 56 to 60-year-olds (3.2%), and over 61 years old (11.5%).

The respondents' job or profession profiles cover a variety of backgrounds. The majority are students (34%), followed by private employees (20%) and civil servants (19%). More than half (52.4%) have income from their businesses, while the rest (47.6%) get income from family members. Most respondents had a D3-S1 education level (56.3%), with 74% having a D3 education level or above. The remaining 26% have a high school education level.

In terms of marital status, the majority of respondents were married (59.9%), while the remaining 40.1% were single. The majority of respondents are Muslim (91.3%), with a small proportion being Protestant (6.7%), Catholic (1.6%), and Buddhist (1%). Of total monthly shopping expenditure, 39.3% of respondents shopped for a total of less than 1.8 million rupiah, while the remaining 60.7% shopped for a total of more than 1.9 million rupiah. The dominant area of respondents was Jabotabek (25.3%), followed by Makasar (21.8%), Surabaya (20.2%), Bandung (20.2%), and Medan (10.23%).

4.2. Validity Test

In this research, there are 34 indicator variables and 4 latent variables: Excellent Service (X1), which is measured by 10 indicator variables, Brand Image (X2) by 7 indicator variables, Innovation (Y) by 8 indicator variables, and Purchase Decision (Z) with 9 indicator variables.

Table 1. Loading Factor for Brand Image Variables

No	Variable	T Table	Loading Factor	T count	Information
CTM01	Indomaret minimarket that meets your daily shopping needs during	0.500	0.675	13.87	Valid
CTM02	this pandemic	0.500	0.803	26.26	Valid
CTM03	During the pandemic, the shopping place at Indomaret is fun for me, clean, sterile and safe (parking, layout of goods, space for	0.500	0.643	13,536	Valid
CTM04	choose, coolclean)	0.500	0.787	23,525	Valid
CTM05	Indomaret location	0.500	0.786	26,954	Valid
CTM06	strategic (easy access and lots)	0.500	0.804	26,932	Valid
CTM07	During the pandemic, products purchased at Indomaret are guaranteed quality and completeness (not expired, many	0.500	0.858	40,343	Valid

Table 2. Loading Factor for Excellent Service Variable

No	Variable	T Table	Loading Factor	T count	Information
PLP01	Shopping at Indomaret is easy, cheap, affordable and reliable.	0.500	0.765	21,895	Valid
PLP02	The officers at Indomaret serve quickly and precisely, both for payment transactions and delivery of goods.	0.500	0.818	30,352	Valid
PLP03	The officers at Indomaret are quick to respond if you have questions, helping with the process of selecting the right product for your needs.	0.500	0.813	29,144	Valid
PLP04	Indomaret's operational hours correspond to your shopping time.	0.500	0.694	13,914	Valid
PLP05	Indomaret officers are polite and friendly.	0.500	0.843	36,348	Valid
PLP06	Indomaret officers answer your questions clearly, are easy to understand, and help you with shopping solutions.	0.500	0.872	43,248	Valid
PLP07	Indomaret officers honestly provide information as it is.	0.500	0.856	36,864	Valid
PLP08	Shopping at Indomaret is safe, both in terms of the products sold and the location of the shopping place.	0.500	0.836	34,29	Valid
PLP09	Indomaret officers understand what is required and provide positive attention when you come to shop.	0.500	0.855	40,96	Valid
PLP10	The location, atmosphere, temperature, room layout and Indomaret staff generally make you comfortable shopping at Indomaret.	0.500	0.801	27,285	Valid

Table 3. Loading Factor for Excellent Service Variable

No	Variable	T Table	Loading Factor	T count	Information
INV01	Indomaret's innovative services, drive-thru and delivery orders in several cities help meet needs during the pandemic.	0.500	0.729	20,915	Valid
INV02	The best Indomaret OneStopShopping, apart from selling daily necessities, there are also ready-to-eat food and drink containers.	0.500	0.819	23,727	Valid
INV03	The best Indomaret Point of Purchasing, PBB payment service adds a solution to help me make payments in one place (whether paying family card, installments, electricity, internet, tickets, etc.).	0.500	0.79	31,443	Valid
INV04	During the pandemic, the existence of the Indomaret Card which provided receivables to consumers with a total accumulation of up to 1 million helped overcome financial solutions and was safe (cashless avoided viruses in cash).	0.500	0.743	18,824	Valid
INV05	Even though Indomaret's digital commerce/virtual market is always growing, in your opinion the role of physical Mini Market outlets remains dominant.	0.500	0.738	21,317	Valid
INV06	Point of coffee Indomaret, maintaining a convenient lifestyle, I can eat and drink ready-to-eat drinks and relax too.	0.500	0.755	20,708	Valid
INV07	Shopping at Indomaret makes my transactions safe because it is ready to accept payments via card (e-money, Flash, bank debit, etc.).	0.500	0.777	23,396	Valid
INV08	Indomaret product promotions on weekends help me shop for necessities in my free time (regularly).	0.500	0.85	46,245	Valid

Table 4. Loading Factor for Purchasing Decision Variables

No	Variable	T Table	Loading Factor	T count	Information
KPB01	I buy daily necessities products at Indomaret because the product quality is maintained (not expired, clean placement, etc.).	0.500	0.762	27,316	Valid
KPB02	I buy products at Indomaret because of the price (reasonable price, the same, some even cheaper).	0.500	0.787	24,114	Valid
KPB03	I decided to buy a new product at Indomaret because the products sold at the outlet are definitely safe and good.	0.500	0.781	29,818	Valid
KPB04	I prefer buying products at Indomaret compared to grocery stores I don't know.	0.500	0.771	25,092	Valid
KPB05	I always buy at Indomaret to shop for daily necessities.	0.500	0.819	26,548	Valid
KPB06	I prioritize buying food at Indomaret.	0.500	0.814	24,170	Valid
KPB07	I shop for daily necessities at Indomaret more than once.	0.500	0.684	16,571	Valid
KPB08	I schedule buying monthly necessities at Indomaret.	0.500	0.775	24,110	Valid
KPB09	I often buy certain products only at Indomaret outlets.	0.500	0.686	12,803	Valid

The table 1-4 provides information regarding the loading factor values for each manifestation variable of all variables. In the table 1-4, it can be seen that the loading factor value for each manifestation variable is more significant than

0.5, so it can be said to be relatively high. These results show that using indicators in all manifestation variables is declared capable of measuring variables accurately or validly.

Table 5. AVE Test Results

Latent Variables	AVE
Brand Image	0.591
Excellent service	0.667
Innovation	0.603
Buying decision	0.586

In the table 5, it can be seen that the four latent variables have an AVE value that is greater than the set value, namely 0.5. Therefore, all manifestation variables regarding Brand Image, Excellent Service, Innovation, and Purchasing Decisions have met the requirements for convergent validity. The Discriminant Validity test with cross-loading compares the correlation of indicators with latent variables.

Table 6. Cross Loading

Code	Image Brand	Service Prime	Innovation	Decision Purchase
CTM01	0.675	0.508	0.493	0.458
CTM02	0.803	0.667	0.502	0.530
CTM03	0.643	0.500	0.495	0.368
CTM04	0.787	0.642	0.558	0.553
CTM05	0.786	0.769	0.538	0.499
CTM06	0.804	0.681	0.558	0.618
CTM07	0.858	0.731	0.628	0.617
PLP01	0.732	0.765	0.651	0.603
PLP02	0.686	0.818	0.498	0.506
PLP03	0.662	0.813	0.551	0.481
PLP04	0.584	0.694	0.493	0.432
PLP05	0.719	0.843	0.588	0.464
PLP06	0.681	0.872	0.600	0.518
PLP07	0.674	0.856	0.576	0.518
PLP08	0.741	0.836	0.610	0.581
PLP09	0.704	0.855	0.610	0.563
PLP10	0.670	0.801	0.647	0.582
INV01	0.502	0.472	0.729	0.494
INV02	0.602	0.607	0.819	0.548
INV03	0.537	0.576	0.790	0.526
INV04	0.488	0.508	0.743	0.508
INV05	0.513	0.534	0.738	0.449
INV06	0.501	0.497	0.755	0.465
INV07	0.596	0.597	0.777	0.521
INV08	0.611	0.646	0.850	0.631
KPB01	0.728	0.645	0.573	0.762
KPB02	0.587	0.587	0.531	0.787
KPB03	0.653	0.612	0.658	0.781

Code	Image Brand	Service Prime	Innovation	Decision Purchase
KPB04	0.494	0.481	0.518	0.771
KPB05	0.502	0.482	0.476	0.819
KPB06	0.421	0.385	0.470	0.814
KPB07	0.381	0.378	0.434	0.684
KPB08	0.372	0.366	0.416	0.775
KPB09	0.388	0.359	0.436	0.686

In the table 6, it can be seen that the cross-loading value for each indicator (colored column) is higher than the correlation of the indicator with other latent variables. Therefore, it can be concluded that the latent variable has adequate discriminant validity.

4.3. Reliability Test

In the measurement model (outer model), a construct reliability test was also carried out to prove the accuracy, consistency and correctness of the instrument in measuring the construct. In PLS, measuring the reliability of a construct with reflexive indicators can be done using the Cronbach Alpha and Composite Reliability tests, provided that the construct is considered to have a Cronbach Alpha value greater than 0.6 and Composite Reliability greater than 0.7.

Table 7. Reliability Test

No.	Variable	Cronbach's alpha	Composite Reliability	Information
1	Brand Image	0.883	0.909	Reliable
2	Excellent service	0.944	0.952	Reliable
3	Innovation	0.905	0.924	Reliable
4	Buying decision	0.912	0.927	Reliable

The table 7 shows that the reliability of the research variables was tested with a significance of 5%. The test results show that the alpha coefficient exceeds the value of 0.6, which indicates that the questionnaire is reliable. In addition, all construct indicators have an excellent level of Composite Reliability, which exceeds 0.7, confirming that all manifestation variables of the latent variables are proven to be accurate, consistent, and have good instrument accuracy in measuring the construct.

4.4. Structural Model Testing (Inner Model)

The F-test is used to assess the collective influence of the independent variables (X1, X2, and X3), which include price perception, product quality, and service quality, on the dependent variable (Y), which is customer satisfaction at PT Dafnet Media Gemilang in Bojonggede District, Bogor Regency.

Table 8. Coefficient of Determination Value

Latent Variable	R ²
Brand Image and Excellent Service → Innovation	0.550
Brand Image, Service Excellence and Innovation → Buying decision	0.543

The analysis shows that Excellent Service, Brand Image and Innovation influence 54.3% of the Purchasing Decision variable. In contrast, the rest is influenced by other factors that were not researched. On the other hand, 55% of the Innovation variable is influenced by Excellent Service and Brand Image, with other factors not included in the research. The total R-squared (R²) value measures Goodness of Fit (GoF) to evaluate the model's suitability. GoF reflects how the independent variable can explain the dependent variable. GoF evaluation also involves predictive relevance (Q²) values, as suggested by Wati (2018:255) as follows:

$$Q^2 = 1 - (1 - R_1^2)(1 - R_2^2)$$

$$Q^2 = 1 - (1 - 0,550)(1 - 0,543)$$

$$Q^2 = 0,794$$

The predictive relevance value (Q^2) for the structural model in this study is 0.794 or 79.4%. This indicates that the model can explain 79.4% of the Purchase Decision phenomenon related to the Brand Image, Excellent Service and Innovation variables. Thus, this model is perfect and has substantial predictive value, making it suitable for hypothesis testing.

4.5. Hypothesis testing

Table 9. Hypothesis Testing

	Original Sample (O)	T Statistics (O/STDEV)	P Values < 0.005
Brand Image → Innovation	0.337	2,952	0.003
Brand Image → Purchase Decision	0.362	3,739	0,000
Innovation → Purchase Decision	0.351	4,729	0,000
Excellent Service → Innovation	0.435	3,965	0,000
Excellent Service → Purchasing Decision	0.091	1,032	0.302

Based on the table 9, the structural equation model is obtained as follows:

$$Y = 0.337 X_1 + 0.435 X_2$$

$$Z = 0.362X_1 + 0.091X_2 + 0.351 Y$$

Information:

Y = Innovation

X1 = Brand Image

X2 = Excellent Service

Z = Purchase Decision

The results of the equation can be interpreted as follows:

- The research results show that the relationship between Brand Image and Innovation has a path coefficient of 0.337, which is included in the "low" relationship category (0.200 - 0.399). This shows that increasing Brand Image has a positive impact on increasing Innovation. Based on statistical parameters, it shows that the calculated t of 2.952 is greater than the t table of 1.96 at a significance level of 5%. This means that Brand Image has a significant effect on Innovation.
- The relationship between Excellent Service and Innovation has a path coefficient of 0.435, which is included in the "moderate/fair" relationship category (0.400 - 0.599). This shows that increasing Excellent Service has a positive impact on increasing Innovation. Based on statistical parameters, it shows that a count of 3,965 is more significant than a t table of 1.96 at a significance level of 5%. This means that excellent service has a significant effect on Innovation.
- Furthermore, Brand Image and Purchase Decisions have a path coefficient of 0.362, included in the "low" relationship category. This shows that improving Brand Image has a positive impact on increasing Purchasing Decisions. Based on statistical parameters, it shows that the count of 3.739 is greater than the t table of 1.96 at a significance level of 5%. This means that brand image has a significant influence on purchasing decisions.
- Meanwhile, the relationship between Excellent Service and Purchasing Decisions has a path coefficient of 0.091, which is in the "deficient" category (0.000 - 0.199). This shows that increasing Excellent Service has a feeble

positive influence on Purchasing Decisions. Based on statistical parameters, it shows that the count of 1.032 is smaller than the ttable of 1.96 at a significance level of 5%. This means that excellent service has little effect on purchasing decisions.

- e) In addition, the relationship between Innovation and Purchasing Decisions has a path coefficient of 0.351, which is in the "low" relationship category. This shows that incremental Innovation has a positive impact on increasing Purchasing Decisions. Based on statistical parameters, it shows that a count of 4,729 is more significant than a ttable of 1.96 at a significance level of 5%. This means that Innovation has a significant effect on purchasing decisions.

4.6. Direct, Indirect and Total Influence

Table 10. Results of Inter-Variable Analysis

	Direct Influence	Indirect Influence	Total
Brand Image → Innovation	0.337		
Brand Image → Buying decision	0.362		
Excellent service → Innovation	0.435		
Excellent service → Buying decision	0.091		
Innovation → Buying decision	0.351		
Brand Image → Innovation → Buying decision		0.118	0.480
Excellent service → Innovation → Buying decision		0.152	0.351

Brand Image (X1) has the most considerable significant direct influence on Purchasing Decisions (Z) at 33.7%, followed by Innovation (Y) at 35.1%. Excellent Service (X2) has an insignificant direct influence of 9.1% on Purchasing Decisions. Indirectly, Excellent Service (X2) has a more significant influence on Purchasing Decisions (Z) through Innovation (Y) of 15.2%, compared to the indirect influence of Brand Image (X1) of 11.8%.

4.7. Discussion

The results of the analysis show that there is a positive and significant influence of Brand Image (X1) on Innovation. This proves that Indomaret has a strong character in consumer perception and can provide emotional strength to consumers, which makes consumers make purchases at Indomaret. Furthermore, the analysis results also show that Excellent Service (X2) has a positive and significant influence on Innovation, and Brand Image (X1) also has a positive and significant influence on Purchasing Decisions. These also strengthen the results of previous research conducted by Siti Nurhayati (2017) and Rizky Desty Wulandari Donant Alananto Iskandar (2016). In their research, the results showed that the brand image variable had a positive and significant effect on the purchasing decision variable.

Furthermore, Excellent Service (X2) does not have a direct significant influence on Purchasing Decisions. The results of this research are different from the results of previous research conducted by Ireine E. Sumolang, Altje L. Tumbel (2019), and Denny Aditya Rachman (2017), who found that leadership had a positive and significant effect on purchasing. Lastly, Innovation (Y) has a positive and significant influence on Purchasing Decisions. This shows that Innovation is essential in influencing purchasing decisions at Indomaret. These results also strengthen previous research conducted by Agus Rahayu Gita Anggarini (2009), who found that Innovation had a positive and significant effect on purchasing decisions. Other research conducted by Bayu Rizki Moputi, Wawan K. Tolinggi, and Yuriko Boekoesoe (2018) stated that Innovation has a positive and significant effect on purchasing decisions. This statement is reinforced by the findings that Innovation has a positive and significant effect on Purchasing Decisions, so the higher the Innovation, the higher the performance.

5. Conclusion

The results of the data analysis conclude that Brand Image has a positive and significant influence on Innovation Moderation at Indomaret and has a positive and significant influence on Purchasing Decisions at Indomaret. Excellent Service also has a positive and significant influence on Innovation Moderation at Indomaret, but its influence on Purchasing Decisions is not significant. Innovation has a positive and significant influence on Purchasing Decisions at Indomaret. The results of this research confirm the importance of Brand Image, Excellent Service and Innovation in influencing Purchasing Decisions at Indomaret. Companies need to maintain and strengthen a positive brand image, continue to improve service quality, and continue to innovate to remain competitive in the market.

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