

Do Product Features and Brand Image Influence Consumers' Decision to Purchase the Suzuki Ignis in Bandung Indonesia?

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Since it was launched in Q2-2017, Suzuki Ignis has gained success to become a market leader in the city-car segment, defeating the Honda Brio in Indonesia by the end of 2018. Unfortunately, compared to the same quarter last year, Ignis sales for Q1-2019 is on the decline; down by almost 60%. The competition in the city-car segment is fierce because many players compete in a small market. Competing on price, promotion, and distribution channel are not suggested for this segment, because of the characteristics of the target markets and the existence of big brand names. In order to achieve market share, players should focus on other variables, which is the product itself. The present study tries to test whether product feature and brand image (as part of the product) will influence customers to purchase the Suzuki Ignis. The present study developed, distributed, and collected questionnaires from 161 respondents who bought the Ignis in the city of Bandung. By using factor analysis and multiple regression analysis, the present study found that consumers purchase decision for the Ignis is significantly affected by product features (in negative sign) and brand image (in positive sign). Interestingly, all dimensions of brand image do not significantly affect the purchase decision, except for economic values.

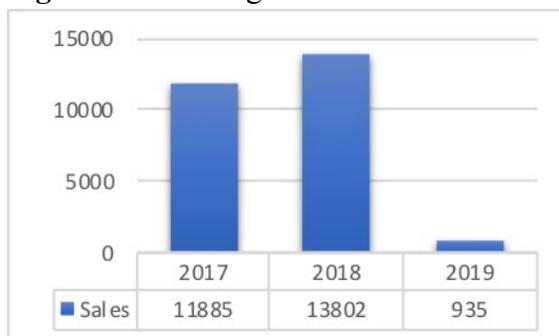
Key words: *Product feature, Brand Image, Purchase decision, Suzuki Ignis, Bandung-Indonesia.*

Introduction

The city-car segment is among the fiercest competition segment in an automobile industry in Indonesia. This segment has a small size market compared to other segments (for example, SUV or MPV segments) with so many players with big brand name, such as Toyota, Honda, Mitsubishi, and Nissan. Competing on price and reliability are no longer relevant for this segment. All prices in this segment are almost the same for all players because this segment is among the bottom of the price setting. The price corridor is very thin. Competition in product quality is also not quite relevant for big names. Their reliability as Japanese automobiles is not questionable. Similar with price and quality, competing on the basis of promotion and distribution channel have little impact on sales because all the players have the same strength on these issues. Thus, players should find other elements for competing in this small niche market, for example design of the product or product features and other intangible resources.

The Suzuki Ignis, which was launched in Q2-2017, gets the market's attention and has become a successful new player in the city-car segment. Since it was launched in Q2-2017, the Suzuki Ignis has gained success to become a market leader in this segment by defeating the Honda Brio by the end of 2018. The picture below shows the sales performance for the Ignis from 2017 until 2019.

Figure 1. Suzuki Ignis's Sales 2017-2019



Note: 2019 only for January and February

Source: many sources

According to Donny Saputra, the 4W Marketing Director of SIS (Suzuki Indomobil Sales), there are three points that determine the success of the Ignis, which are that it is an urban SUV, youthful, and manly (www.semisena.com/31470/strategi-suzuki-mendongkrak-penjualan-ignis-di-indonesia.html, and accessed at 20 June 2019). The design is unique. It combines the city-car design with a mini SUV. Luckily, this design fits with the target market which is the energetic and productive young urban segment. Another key aspect is the features. The Ignis comes fully equipped with features, such as: *auto lock system*, *alarm system*, *keyless entry*, and *anti-lock braking system (ABS)*. The next key aspect is the low consumption of gas. Suzuki

claims that the Ignis can reach 23.44 kilometres per litre. This number exceeds the lowest standard of Low Cost Green Car (LCGC) that is determined by the government (www.medan.tribunnews.com/2017/08/30/suzuki-ignis-terjual-10-ribu-unit-ini-dua-alasan-orang-membelinya, accessed at 20 June 2019). This Ignis is imported from Maruti Suzuki India in Completely Build Up (CBU) with a price ranging from Rp139.5 million to Rp169.5 million. Thus, it can be concluded that success of the Suzuki Ignis mostly depends on product design and features.

However, unfortunately, compared to same quarter in the previous year, the Ignis sales for Q1-2019 declined by almost 60% (www.rockomotif.com/7855/penjualan-raja-city-car-ignis-makin-menurun-di-awal-2019, accessed at 20 June 2019). It is true that all automobile sales in Q1-2019 in Indonesia declined but only by 13% (www.cnbcindonesia.com/market/20190416094244-17-66971/waspada-penjualan-mobil-nasional-kuartal-i-2019-turun-13, accessed at 20 June 2019). Thus, it raises some questions. Is it true that the Ignis sales are caused by product features? Is it something beyond the product, such as brand image, that has come to be a key success factor for the Ignis? The present study is aimed at answering all of these questions in the Bandung Indonesia market.

Literature Review

Understanding what, why, when, who, and how a customer prefers one product (brand) over another product (brand) is very important for a marketer. This understanding will lead to a company being able to adapt marketing strategies (segmenting, targeting, and positioning or STP) and marketing tactics (marketing mix or 4P: product, price, place, promotion) to the customers preference in choosing a product or brand. Unfortunately, to understand the reasons why a customer buys one product is not an easy task because the answer is deeply locked inside the customer mind (Kotler & Armstrong, 2018). The other reason is because it involves a complex process and involves a huge variety of customers (Lautiainen, 2013). However, scholars agree that consumer buying behaviour is influenced by cultural, social, personal and psychological factors (Khaniwale, 2015; Kotler & Armstrong, 2018; Lautiainen, 2013).

Purchase Decision towards a Product

As Kotler and Armstrong (2018) mentioned, buying behaviour is very important for a marketer in order to estimate how consumers might behave in their future purchase decisions. The consumer behaviour can be separated between individual consumer behaviour and organizational consumer behaviour. The present study will focus on individual consumer behaviour.

Schiffman and Kanuk (1997: 648) mentioned that “consumer behaviour is the behaviours that consumers display in searching for, purchasing, using, evaluating, and disposing of products, services, and ideas.” Many scholars agree with this definition, for example: Khaniwale (2015); Kotler and Armstrong (2018); Kotler and Keller (2018); Lautiainen (2013); Solomon (2004); Tjiptono (2011); etc. Following Kotler and Keller (2018), the present study constructs purchase decisions similar with the Schiffman and Kanuk’s (1997) definition which refers to five sequential processes from the problem identification, information seeking, alternatives evaluation, buying decisions, and after sales behaviour. All of these processes will be followed to meet the expectations and motives of consumers that are involved in a purchase decision for any kind of products (Lautiainen, 2013). Matching the company’s product offering with product’s requirements from consumers is the key point of consumer behaviour studies.

Previous studies in Indonesia (for example: Amron, 2018; Laheba, Tumbuan, & Soepono, 2018; Sari & Rachmawati, 2016; Hamidah & Anita, 2015; Putra & Seminari, 2016; Manorek, 2016, etc.) have found that purchase decisions of Indonesian consumers is influenced by many factors, namely: product quality, product features, product design, advertising, warranty, price, and brand image. In the automobile industry, Nigam and Kaushi (2015) found that strong brand equity influenced purchase decisions of Hatchback Car Owners in Central Haryana, India. Moreover, they found that some marketing mix elements that influenced purchase decision includes: product mix, price mix, promotion mix, distribution and service factors, brand images, trust attributes, and image attributes. In the Indonesian case, Lalujan, Pengemanan, & Tumbuan (2016) demonstrated that perceived price and perceived quality partially has a significant effect on consumer buying decisions of LCGC (Astra, Toyota, Agya in Manado), but brand image did not have a significant effect. However, recently, a study conducted by Amron (2018) found that product quality, price, and brand image significantly influenced the buying decision of consumers of city cars in Semarang, Indonesia. Based on the Suzuki Ignis characteristics and the Indonesian market behaviour, the present study decided to study purchase decision behaviour in respect to product features and brand image. As mentioned before, competing with price, reliability, promotion, and the distribution channel is not recommended.

The Influence of Product Feature on Purchase Decision

Product features are characteristics of the product that add value to a product’s basic function (Kotler & Keller, 2018). Features add value to products in terms of the appearance, components, and capabilities. In general, product features are all the qualities and characteristics of a product and describe its size, shape, materials, colour, ingredients, and its functionalities and capabilities. Since implanted in products, features can be used as the unique factors that differentiate a product from the pack (Mullins, Orville, Larreche, & Boyd, 2005).

In a market where consumers have many choices within a small price range, quality range and similar distribution channel, features can become a differentiator.

According to Mullins et al. (2005) there are two main indicators of product features, namely: product performance, and product supplement. Previous literature found that product features significantly influence purchase decision (Hamidah & Anita, 2015; Laheba et al., 2018; Putra & Seminari, 2016; Sari & Rachmawati, 2016). By this, the present study suggests one hypothesis:

H-1: Product features (i.e. product performance and product supplement) positively influenced purchasing decision of Suzuki Ignis consumers.

The Influence of Brand Image on Purchase Decision

Brand image is a consumer perception that considers a product based on actual association which relates with his or her memory (Kotler & Keller, 2018). All the experiences that build one's impression are valid. It is about reputation and credibility of a product that becomes a guideline for consumers to try and consume a product (Tjiptono, 2005; Rangkuti, 2009). According to Aaker (1991), there are four dimensions in constructing a brand name, namely: recognition, reputation, affinity, and domain. Kotler and Keller (2018) constructed a brand name into three dimensions: strengths, uniqueness, and favourable. The present study follows the research from Kotler and Keller (2018).

Previous literatures reveals that brand image significantly influenced the purchase decision (Amron, 2018; Laheba et al., 2018; Manorek, 2016; Putra & Seminari, 2016; Sari & Rachmawati, 2016). By this, the present study suggests another hypothesis:

H-2: Brand image (i.e. strengths, uniqueness, and favourable) positively influences the purchasing decision of Suzuki Ignis consumers.

Methodology

The present study is a quantitative in nature. There are two independent variables (with a total of 5 dimensions) and one dependent variable with a single construct. Questionnaires were used to collect primary data and to understand the characteristics of the respondents. The questionnaire has been tested to ensure its validity and reliability. The present study collected data from the city of Bandung and resulted in 161 valid respondents to be analysed further. The present study implements confirmatory factor analysis, descriptive statistics, and multiple regression analysis to analyse and test the hypotheses.

Research Result

The Characteristics of Respondents

Here are some of the characteristics of the 161 respondents: 58% are male (42% female); the age of 64% respondents is above 30 years old (36% is 30 years old and below); 68% hold a minimum of a bachelors degree (32% hold a diploma or less); 72% have income of more than Rp5 million per month (28% have income below Rp5 million per month). Thus, the respondent statistics reveals that the Ignis has already reached the right segment, which is the young, urban, educated and realistic segment. The occupation of the respondents comprised of 48% as professionals, 28% as students, 13% as entrepreneurs, and 11% are non-working mothers. When the respondents are asked about the sources of information that they got about the Ignis, 52% responded from electronic or social media, 34% responded from family or friends, 9% from newspapers or magazines, and 2% from other sources.

The Factor Analysis Results

The confirmatory factor analysis is conducted to ensure the reliability and validity of the construct. The results show some structural changes. First, the original construct of product features contains two dimensions (i.e. product performance, and product supplement); however, the factor analysis found that product features only has a single construct. Second, the original construct of brand image contains three dimensions (i.e. strengths, uniqueness, and favourable) with a total of eight items. After factor analysis, the construct still has three dimensions but with only six items (2 items were dropped due to low communality score and the cross loading problem). Furthermore, the composition of items also changed and created new configurations of dimensions except for the favourable dimension. Thus, the new dimensions are appearance, economics value, and favourability. Third, there is no change in the original construct of dependent variables (i.e. purchase decision). The construct still consists of a single dimension, but the numbers of items were reduced from five items to three items only. The two items were dropped due to low communality score. Based on new construct, the hypotheses test was conducted. Table-1 below shows the summary of the factor analysis (Saudi et al., 2019).

Table 1: The Summary of Factor Analysis

Variable	Dimensions	Number of items	No. of Iterations	Items deleted	Results	New dimensions
Product feature	<ul style="list-style-type: none"> • Performance • Supplement 	2 3	1	No item was deleted	KMO= .835; ev=3.518; %var=70.367	Single construct
Brand Image	<ul style="list-style-type: none"> • Strength • Uniqueness • Favourable 	4 2 2	3	<ul style="list-style-type: none"> • Ignis has interesting design • Ignis offers many choice of colours 	KMO= .550; ev=2.03, 1.25, 1.04, %var=72.004	<ul style="list-style-type: none"> • Appearance • Economics value • Favourable
Purchase decision	Single construct	5	3	<ul style="list-style-type: none"> • Information that I have is being used to compare Ignis with other brands • I feel satisfy of buying Ignis 	KMO= .640; ev=1.726; %var=57.518	Single construct

Note: KMO=Kaiser-Meyer-Olkin measure; ev=eigen value; %var=% variable explain

The Hypotheses Testing

The hypotheses test by using multiple regression found that both independent variables were significantly influenced by dependent variable. However, the sign for product features is negative. This is mean that the relationship between product features and purchase decision is negative (Sinaga et al., 2019). The more features that the Ignis has, the less the consumer will make a purchase decision based on the features. On the contrary, brand image significantly influenced the purchase decision of the Ignis, in positive sign. The more of brand image that the Ignis has, the more people will make the purchase decision based on the brand image. In detail, not all dimensions of brand image have a significant influence on the purchase decision. Only one aspect has an effect on the purchase decision which is economic value, while the

other dimensions (i.e. appearance and favourable) do not significantly influence the purchase decision. Thus, the more economic value is given to consumers; more people will choose to purchase the Suzuki Ignis. Table-2 below shows the summary of hypotheses testing by using multiple regression.

Table 2: Multiple Regression Analysis Result

	Dependent variable: <i>Purchase decision</i>	
	Standardized Beta	
Independent variable: Product Feature	-.149	*
Independent variable: Brand Image	.065	
Appearance	.459	**
Economics value	.083	
Favourable		
R ²	.340	
Adjusted R ²	.323	
F	19.954	**

Note: Significant levels ** $p < .01$; * $p < .1$

Discussion and Implications

Some interesting results have been found by the present study. First, the respondent statistics reveals that the Ignis matches with the target market that the Ignis want to achieve, which is the energetic and productive young urban segment. They are young, professional, and educated people. They decide to buy the Ignis by themselves and find information from several sources but mainly from social media or electronic sources. The Ignis already has three key marketing points which are urban SUV, youthful, and manly. The present study found that the female buyers represented almost half of the respondents. Thus the management of the Ignis should give a little bit of female touch to the design of the Ignis to tap into future female consumers.

Second, the present study shows that features are a single construct rather than multiple constructs. It can be concluded that from the buyer's perspective, they do not think that performance and supplement are separate issues. Furthermore, they see the product features as implanted together with the product and determine the quality of product (Amron, 2018). The hypothesis testing found that the feature significantly influenced the purchase decision and it supports previous researches, for example: Hamidah & Anita, 2015; Laheba et al., 2018; Putra & Seminari, 2016; and Sari & Rachmawati, 2016. Interestingly, the present study discovers that the sign is negative. It can be concluded that the more extra feature added to the product,

the less consumers want to buy the Suzuki Ignis. This result can be explained by understanding why the consumers buy the Ignis. Statistics of respondents reveal that the Ignis's buyers are educated and are also realistic people which assume that features may affect the price of the car. Thus, additional features can add more onto the price rather than to product quality or performance. Moreover, they already believe in the quality of the product because of the "made in Japan" effect. Remember, the price corridor of the city-car segment is very thin.

Finally, the construct of brand image that originally comprise of strengths, uniqueness, and favourable, was changed to become appearance, economics value, and favourability. The hypothesis testing found that brand image significantly and positively influences purchase decisions and supports previous research (Laheba et al., 2018; Manorek, 2016; Nigam & Kaushi, 2015; Putra & Seminari, 2016; Sari & Rachmawati, 2016). The present study discovers something different in dimension levels. This study finds that only economics value has a significant effect on the purchase decision, while two others dimensions (i.e. appearance and favourable) do not. This finding strengthens the issue of realistic buyers that has already been discussed before. They already believed that the Suzuki Ignis as a Japanese product possess good quality and also has features that come together with the product itself. In their study of comprehensive car branding in China, Yang, Yan, Tu, and Ji (2015) found that purchase intention of car buyers in China is being influenced mostly by corporate branding and then by product brand and country brand. In respect of these findings, the present study reinforce that consumers consider corporate brands (in this case "Suzuki") rather than product brand (i.e. Ignis). Thus, the image of corporate and country branding has a huge impact on consumer's purchasing decision of the Suzuki Ignis in Bandung Indonesia.

Conclusion

The present study has found success in demonstrating that features and brand image have an influence on the consumer purchase decision, particularly for the Suzuki Ignis. As a city-car, the Suzuki Ignis has to consider some issues. First, Suzuki should realize that the consumers are not in a large market segment and are very realistic. They are educated, well informed, and have control over their decision. To be specific, the present study reveals that product features has a negative influence on the purchase decision. However, it does not mean that the Suzuki Ignis should abandon features of the product; rather they should provide minimum features, at least to meet the standard of the modern city-car. To consumers, more features mean more money to be spent. Overdesigned means overpriced. This realistic point of view is being supported with the finding that only economic values have a significant influence on the purchase decision, while appearance and favourability do not have significant influences. Thus, to protect sales targets, the Suzuki Ignis should focus on economic value rather than other themes. Second, the Suzuki Ignis should reconsider the original key themes, to adopt new

appropriate key themes. The fact that almost half of the respondents are female perhaps suggests that Suzuki should change the “manly” theme.

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