

THE ROLE OF PERCEIVED QUALITY AS AN INTERVENING VARIABLE OF PERCEIVED PRODUCT INNOVATION ON PURCHASE INTENTION ON SCARLETT PERFUME PRODUCTS

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ABSTRACT

The retail industry is seeing intensified competition as economic growth and corporate development continue to advance. Scarlett is a retail product that consistently introduces innovations periodically. Scarlett introduced her latest creation, specifically a fragrance. The objective of this study is to ascertain the impact of perceived product innovation, as assessed through quality, on consumers' inclinations to purchase Scarlett perfume items. This study is a quantitative research conducted with a descriptive methodology on a sample of 198 students from State University in Madura. The research employed online sampling through the distribution of questionnaires using Google Form, and the obtained data was analysed using the statistical programme Smart-PLS 4.0. The research findings indicate that the perception of product innovation has a notable impact on the perception of quality. Additionally, the perception of quality has a significant influence on the intention to purchase. Furthermore, the perception of product innovation also has a significant effect on the intention to purchase. Moreover, the perception of quality acts as a mediator and positively influences the relationship between the perception of product innovation and the intention to purchase Scarlett perfume.

Keywords: perceived product innovation, perceived quality, purchase intention

INTRODUCTION

In the present era of increasing globalisation, it is undeniable that globalisation can facilitate the execution of tasks in different domains, such as company management (Kotler et al., 2018). This phenomenon is evident in the growing number of retail entrepreneurs that are endeavouring to captivate consumer attention by providing diverse benefits, thereby establishing retail as one of the most favoured commercial endeavours among the general population (Sani, 2020).

Scarlett, a renowned retail company famous for its unwavering commitment to innovation, has recently unveiled a novel addition to its product lineup: a fragrance. The debut of Scarlett fragrance is scheduled for August 28, 2023, showcasing two distinct Eau De Parfum variations. The objective of this launch is to appeal to Indonesian customers and impact their buying choices, with elements such as perceived product innovation playing a significant effect (Purnama & Sari, 2023).

Perceived product innovation encompasses the launch of novel products, procedures, or services in the market, along with the integration of inventive characteristics, new applications, expertise, or relevant information. Business organisations demonstrate their commitment to attracting customers by emphasising the perceived quality of their products (Wu & Ho, 2014).

Perceived quality refers to a thorough assessment of how good a product or service is in relation to the expectations of consumers (Aaker, 1997). Purchase intention refers to the inclination that drives individuals to acquire desired commodities by making purchases (Schiffman et al., 2013). This refers to a motivational factor that explains an individual's actions (Rahayu & Isa, 2023).

A study conducted by Kusumaningtiyas et al., (2019) demonstrates that perceptions of product innovation significantly influence perceptions of quality. However, a study

conducted by Dettori et al. (2020) found no association between the perception of product innovation and the perception of quality. The data suggest that there is an inverse correlation between customers' perception of quality and the degree of innovation in conventional products.

Prior studies on the perceived product innovation factor have yielded inconsistent findings in relation to perceived quality. Hence, the researchers sought to reevaluate the elements linked to the perception of product innovativeness, perceived quality, and desire to purchase. The researchers sought to examine the influence of perceived product innovation on purchase intentions at state colleges in Madura, with perceived product quality serving as a mediating variable.

LITERATURE REVIEW

Perceived product innovation

Perception of innovation refers to the subjective perceptions and associations that consumers have regarding new products or services offered by a company. This helps to understand the relationship between a company's innovation efforts and how consumers perceive them. In addition, this explains how consumer acceptance and satisfaction are influenced by company innovation (Chen et al., 2021). Perception of innovation is related to surrounding conditions. High perceived quality improves the performance of a product and contributes to increased productivity (Schmidt et al., 2023). Perception of innovation includes two dimensions: perceived novelty and perceived usefulness. The concept of perceived product innovativeness is based on the idea that it is a formative construct that includes two components: an overall measure of how new a product is perceived, and the extent to which the product brings about changes in consumption patterns (Lowe & Alpert, 2015).

Perceived Quality

Perceived quality, as defined by Aaker (1997), refers to a customer's perception of the overall quality or superiority of a product or service. This perception is formed based on the customer's expectations. Perceived quality is contingent upon the observations made by customers. Consequently, evaluations of quality that rely on individual judgement are less impartial. Pandiangan et al., (2021) contend that the assessment of product quality is contingent upon the customer's viewpoint rather than the viewpoint of management or specialists. Consumer perceptions are influenced by variables that they think significant, which are evaluated in relation to a specific product or service, due to individual variations in consumer preferences.

Purchase Intention

According to Kotler et al. (2016), buying intention refers to the mental state of potential consumers who have the greatest amount of confidence and intention to buy a specific product or service. Customers commonly undergo an assessment procedure prior to completing a purchase inside the time of purchase interest. During the appraisal phase, prospective purchasers will arise. A purchaser does not engage in a straight purchase transaction, but instead conducts an evaluation process, which entails choosing the store to visit, deciding on the timing of the purchase, and taking other considerations into account. buy intention, as defined by Fernos & Ayadi (2023), refers to the inclination of customers towards a product that captures their interest and serves as a motivating factor for making a buy.

HYPOTHESIS

Perceived Product Innovation and Perceived Quality

According to Ferianto (2018), consumers' perceptions of a product are directly influenced by their impressions, which in turn affect their judgement of its quality. The perception of a product holds significant importance in marketing as it exerts a substantial impact on consumer behaviour, hence affecting the perceived quality of the product. The objective of

Kusumaningtiyas et al., (2019) is to evaluate the impact of perceived product innovation and perceived quality. The way people perceive product innovation has a direct impact on how they view the quality of the product. The findings of this study suggest that the way people perceive product innovation has a beneficial impact on how they perceive the quality of the product.

Contrarily, a study conducted by Dettori et al. (2020) titled "Customer-perceived quality, innovation and tradition: some empirical evidence" discovered that product innovation negatively affects the perception of quality by customers. Under these circumstances, the pursuit of innovation yields unsatisfactory outcomes, therefore rendering it unprofitable. In addition, researchers possess the capacity to develop hypotheses, which encompass:
Hypothesis 1: The perception of product innovation has a favorable impact on the perception of quality.

Perceived quality and its impact on purchase intention

In Mahrus & Meliantari's 2023 research entitled "The Influence of Quality Perceptions, Price Perceptions, and Electronic Word of Mouth (E-WOM) on Intentions to Buy Used Cars During the Covid-19 Pandemic," Mahrus & Meliantari found that an increase in quality perceptions in sales offers leads to on a good influence on purchase intentions. Therefore, perceived quality has a large impact on the desire to make a purchase. In their research, Mranani & Lastianti (2022) found a clear and substantial correlation between perceived quality and purchase intention. These findings are consistent with previous research that has explored the relationships between reference groups, perceived value, perceived quality, social media, and decisions related to purchasing push bikes. One hypothesis that researchers might develop is:

Hypothesis 2: The perception of quality positively influences the intention to purchase.

Perceived product innovation and its impact on purchase intention.

The study conducted by Al-Jundi et al., (2019) aimed to investigate the impact of perceived product innovation on purchase intentions. The study specifically focused on the role of consumer innovativeness, the learning process, and perceived value. The research findings indicate that observing product developments has a favourable influence on the probability of acquiring a new product. Contrary to the findings of Afriyanti and Rahmidani (2019) in their study titled "The Impact of Product Innovation, Packaging, and Product Variations on Consumer Interest in Purchasing Aice Ice Cream in Padang City," it was found that the perception of product innovation has a significant and negative effect on purchase intention. According to this theory, a high level of product innovation will decrease consumer interest in purchasing Aice. Researchers has the capacity to formulate diverse theories.

Hypothesis 3: The perception of product innovation has a favorable impact on the intention to purchase.

The impact of perceived product innovation on purchase intention is mediated by perceived quality.

Mutlu & Nazli, (2018) argue in their study titled "Perception of Innovation and Its Characteristics: The Case of Izmir" that the perception of product innovation has a favorable and substantial impact on the perception of quality. Business executives, practitioners, and decision makers are encouraged to comprehend the essence of innovation and the efforts made to be inventive in this particular situation. This offers guidance for future scientific discussions in this field of research.

(Niswatussolihah et al., (2023) assert in their study titled "The Effect of Social Media Marketing, Perceived Quality and Online Customer Reviews on Buying Interest in Hmns Local Brand Perfume for Instagram and Twitter Users" that there exists a correlation between perceived quality and purchase intention mediated by perceived quality. Perceived quality can act as a mediator between perceived product innovation and purchasing intention, according to this explanation. Researchers can create a hypothesis as follows:

Hypothesis 4: The perception of product innovation has a favorable impact on the intention to purchase by influencing the perceived quality of the product.

METHODS

This study employs quantitative research methodology, utilizing data collected from specific demographics and samples through a survey-based technique. The study was carried out on students enrolled at state universities located on Madura Island, specifically Madura Trunojoyo University, Madura State Islamic Institute, and Madura State Polytechnic. This study collected samples from several sources in order to find the optimal number of samples to obtain from the provisions of Hair et al., (2017). The research sample consisted of 190 respondents who completed a questionnaire using Google Form. The questionnaire included 19 statement items.

RESULTS

The outcomes of the external test conducted for the purpose of assessing validity are displayed in table 1. Then, the reliability test (Table 2) findings demonstrate that all data in this study are deemed valid and reliable, since the derived Cronbach's Alpha and Composite Reliability values above 0.7. The instrument employed in this study demonstrates a significant degree of dependability, affirming its trustworthiness in accurately measuring the construct under investigation

Table 1. Outer Loading Value

variable	Indicator	Outer loading	Cut Off Value	Description
Perceived product innovation (X)	X1	0,729	> 0.5	(Valid)
	X2	0,734	> 0.5	(Valid)
	X3	0,716	> 0.5	(Valid)
	X4	0,778	> 0.5	(Valid)
	X5	0,675	> 0.5	(Valid)
	X5	0,737	> 0.5	(Valid)
	X7	0,752	> 0.5	(Valid)
	X8	0,647	> 0.5	(Valid)
Purchase intention (Y)	Y1	0,853	> 0.5	(Valid)
	Y2	0,850	> 0.5	(Valid)
	Y3	0,865	> 0.5	(Valid)
	Y4	0,683	> 0.5	(Valid)
Perceived Quality (Z)	Z1	0,750	> 0.5	(Valid)
	Z2	0,768	> 0.5	(Valid)
	Z3	0,728	> 0.5	(Valid)
	Z4	0,712	> 0.5	(Valid)
	Z5	0,725	> 0.5	(Valid)
	Z6	0,731	> 0.5	(Valid)
	Z7	0,685	> 0.5	(Valid)

Source: Analyzed by scholars (2024)

Table 2. Cronbach' alpha, rho_a and Composite Reliability (CR)

variable	Cronbach's Alpha	Composite Reliability (rho_a)	Composite Reliability (rho_c)	Description
PPI	0,829	0,832	0,888	Reliable
PI	0,868	0,870	0,897	Reliable
PQ	0,853	0,855	0,888	Reliable

Source: Analyzed by scholars (2024)

Table 3. R-Square

	R-Square	R-Square Adjusted
PI	0,509	0,504
PQ	0,734	0,733

Source: Analyzed by scholar (2024)

Table 4. Fit Model

	Saturated Model	Estimated Model
SRMR	0,080	0,080
d_ULS	1,209	1,209
d_G	0,581	0,581
Chi-square	593,079	593,079
NFI	0,727	0,727

Source: Analyzed by scholars (2024)

The analysis of model fit in this study yielded an NFI parameter value of 0.727, indicating a rather high level of model quality. This suggests that the employed model successfully accounted for around 72.7% of the fluctuations in the observed data. Furthermore, if the NFI value surpasses the minimum threshold of 0.67, it signifies a robust alignment between the model and the utilized data.

Table 5. Hypothesis Test Results

	Original Sample (O)	Sample Mean (M)	Standart Devition (STDEV)	T= Statistic	P= Values	Description
PPI -> PI	0,301	0,306	0,098	3,077	0,002	Accepted
PPI -> PQ	0,857	0,860	0,027	31,540	0,000	Accepted
PQ -> PI	0,438	0,438	0,107	4,087	0,000	Accepted

Source: Analyzed by scholars (2024)

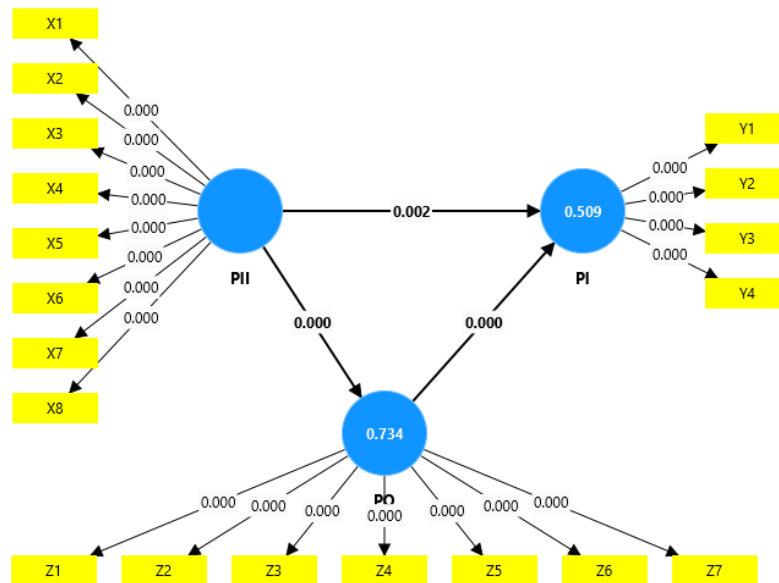


Figure 1. Hypothesis Test Results
 Source: Analyzed by scholars (2024)

According to research, there is a strong correlation between perceived product innovation and perceived quality. This conclusion is supported by the coefficient of 31.540 (T Table 1.96), as well as the P-value of 0.001, which is less than the significance threshold of 0.05. These results suggest that quality perception is statistically significantly influenced by the product innovation perception variable. The T-statistic value of 4.087 indicates that perceived quality has a considerable and positive impact on the willingness to buy, surpassing the crucial value of 1.96 from the T-table. Furthermore, the P-value of 0.000 is below the significance level of 0.05, offering more proof of the significant influence of perceived quality on purchase intention. This demonstrates how the tendency to buy is significantly influenced by the perceived quality variable. The results of this study show a statistically significant and robust relationship between purchase intention and perceived product innovation. While the P-value of 0.000 is less than the significance level of 0.05, the T-statistic value of 3.077 is greater than the crucial value of 1.96 seen in the T-table. The study's findings demonstrate that purchase intention is directly and significantly influenced by the perceived level of product innovation.

Table 8. Mediation Test Results

	Original Sample (O)	Sample Mean (M)	Standart Devition (STDEV)	T= Statistic	P= Values	Description
PPI -> PQ -> PI	0,376	0,376	0,092	4,094	0,000	Significant

Source: Analyzed by scholars (2024)

CONCLUSION

The perception of a product's quality is greatly influenced by its perceived level of innovation. The purchase intention is greatly influenced by the perception of quality. The perceived level of innovation substantially influences the intention to purchase a product. The perceived quality of a product can act as a mediator in the process, favorably and considerably influencing the relationship between perceived product innovation and purchase intention.

In order to remain relevant and competitive in the ever-changing perfume business, the Scarlett firm must consistently introduce new and innovative ideas. This includes the creation of novel fragrances, enhancing the composition of products, and executing innovative marketing tactics. Future researchers may explore the inclusion of additional variables pertaining to purchase intention while selecting Scarlett perfume, such as the impact of social media, the availability of brand ambassadors, or user reviews.

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