

The Influence of Brand Reputation and Price on the Decision to Purchase Counterfeited Crocs Products (Case Study of Users of Fake Crocs Products, South Jakarta)

Irene Lily Tampubolon, Evi Sofia*

Faculty of Economics and Business, Pertamina University,
South Jakarta, DKI Jakarta, 12220, Indonesia

*Correspondence: evi.sofia@universitaspertamina.ac.id; irenelily33@gmail.com

ABSTRACT

The purpose of this research is to examine: The Influence of Brand Reputation and Price on Purchase Decisions for Counterfeited Crocs Products (Case Study of Users of Fake Crocs Products in South Jakarta). This research used a sample of 100 samples, with the criteria being consumers who had used fake Crocs products and consumers who were still using fake Crocs products. The data analysis that researchers used in this research used descriptive analysis, data quality testing, classical assumption testing, multiple linear regression testing, hypothesis testing, and coefficient of determination testing. The software that researchers use is SPSS version 25. The results of this research are: 1) Based on the results of the T test, it is known that the sig value is $0.000 < 0.05$, meaning that the Brand Reputation variable (X1) statistically has a positive and significant effect on Purchasing Decisions (Y). 2) Based on the results of the T Test on the Price variable, it is known that the sig value is $0.015 < 0.05$, meaning that the Price variable (X2) statistically has a positive and significant effect on Purchasing Decisions (Y). 3) The Brand Reputation and Price variables simultaneously have a significant effect on Purchasing Decisions by having a sig value of $0.000 < 0.005$, meaning they have a positive and significant effect on Purchasing Decisions (Y) simultaneously.

Keywords: Brand Reputation, Price, Purchase Decision

INTRODUCTION

Counterfeit branded fashion goods have spread throughout the world, causing famous brands to suffer huge losses of hundreds of millions of dollars [1] (Augustinah, 2015). There are several reasons why many people prefer to buy fake goods, one of the reasons is because the fake goods they buy do not harm them. Counterfeiting of goods or counterfeiting is an act of imitating or copying a product from the shape to the details of the original product [2] (Asnawi, 2015).

Indonesia is a country with quite a large number of counterfeit goods users, with an internet penetration rate of 64.8% of the entire Indonesian population, or 171 million out of 246 million people [3] (APJII, 2018). This provides a positive correlation to the level of digital piracy in Indonesia because the Office of the United States Trade Representative (USTR) stated that Indonesia is included in the Priority Watch List category. Indonesia's inclusion in the Priority Watch List is supported by the percentage of counterfeit products in Indonesia based on a survey [4] by Mardanugraha, Wardhani, Ismayadi, Bergkamp, and Yappy (2014).

Based on data from [5] Imania (2021), it can be seen that leather products have a percentage of 37.20%, this value is the second largest after clothing products at 38.90%. This percentage shows that footwear has become a product that is often counterfeited in Indonesia. Buying counterfeit goods is considered normal and commonplace in Indonesia, so people are used to this behavior [6] Hidayat and Phau (2003). At an empirical level, there is research that has calculated the value of losses and the impact of selling counterfeit goods on the Indonesian economy.

From this data, it can be seen that GDP (Gross Domestic Product) losses in the clothing and leather goods sector had the largest loss impact, namely IDR 20 million. Followed by the food and beverage sector at IDR 8 million, then the medicines and cosmetics sector at IDR 5 million, and finally the software sector at IDR 1 million. Counterfeiting of several products caused the Indonesian government to lose potential taxes of IDR 424 billion. The tax loss that occurred in Indonesia came from the clothing and leather goods sector, amounting to IDR 191 billion. Followed by the food and

beverage sector which lost potential tax revenue of IDR 155 billion. Furthermore, the medicines and cosmetics sector and the software sector respectively lost potential tax revenues of IDR 42 billion and IDR 35 billion.

This American company produces footwear that has a high price similar to other footwear brands such as Melissa and Skechers. Based on the information listed on the Crocs Indonesia website, there are price details ranging from IDR 900,000 to IDR 1,999,999 for sandals and shoes. This nominal amount can be said to be too expensive if paid only for a pair of footwear. The increase in sales of counterfeit goods is related to consumer behavior which leads to the decision making process [7] (Kotler and Armstrong, 2008).

Brand reputation can be one of the factors that causes someone to want to use luxury goods, but if a person's purchasing power is low, then purchasing fake goods will be their choice [1] (Agustinah, 2018). When consumers filled out a survey and were asked whether they knew the reputation of Crocs, 85% of all respondents knew the reputation of this product. Crocs has a bad reputation, namely being known as "the ugliest shoe ever", but a good reputation that is known by the public is the durability of the products that Crocs provides [8] (Hakala, 2021). The reputation of the Crocs brand, coupled with the lifestyle of young people who want to appear luxurious, has caused this brand to be sought after by almost all ages.

One of the biggest mistakes that led to the downfall of Crocs in 2008-2009 was the violation of their branding. In 2018, Crocs closed their manufacturing stores in Mexico and Italy. Crocs closed the factory in an effort to simplify business and increase company profits [9] (Fimela, 2018). Crocs has experienced a financial crisis due to many losses during business. The thing that caused losses

to Crocs was the lack of innovation and the long-lasting quality of the shoes, which backfired because it made consumers not repurchase the product [10] (Agmeka, 2019).

The rise of imitation Crocs has caused original Crocs to be less popular with consumers because they are more expensive [11] (Marcheliano, 2019). The price of fake Crocs products sold in the market is much cheaper compared to genuine Crocs products, namely IDR 60,000 to IDR 200,000. This price makes many people prefer to buy imitation products from Crocs. [12] Setiawan (2015) stated that a good brand reputation and affordable prices can make consumers feel satisfied when making a purchase and can make repeat purchases.

The Anti-Counterfeiting Society (2009) grouped goods into four categories based on the level of violation as follows:

1. True counterfeit product, this category is a fake product that is produced 100% the same as the original product.
2. Fake products look similar (look-alike), this category is a fake product that is made with differences from the original product.
3. Reproduction, usually this category carries out forgeries in the field of art, such as photos or paintings.
4. Unconvincing imitation, this category is product counterfeiting that is carried out with very poor production, this counterfeiting is usually visible to the naked eye.

Luxury brands are easy to counterfeit because these goods are easy to duplicate and do not incur high production costs [13] (Gentry et al, 2006). Original Crocs at higher prices get better reviews from consumers regarding the quality of the product. When compared with fake Crocs, the price offered is much cheaper than original Crocs, but the reviews given by consumers are still not good. Based on the background above, the author is interested in researching how brand reputation and price influence people's purchasing decisions for fake Crocs products in South Jakarta.

Literature

Marketing Management

Marketing is a social and managerial interaction where everyone gets what they need and want [14]. The aim of marketing management is to attract new customers and retain existing customers, so that products can be distributed easily. In enhancing Crocs' marketing strategy, they seek to collaborate with other powerful brands and influential celebrities by launching special edition collections designed by their collaborators in various colours and themes. In enhancing Crocs' marketing strategy, they seek to collaborate with other powerful brands and influential celebrities by launching special edition collections designed by their collaborators in various colors and themes.

Apart from collaborating with well-known celebrities, the main channels used by Crocs to promote and market their collaborations and their own brand are social media Instagram and TikTok.

Brand Management

According to the American Marketing Association, a brand is an image, name, letter, symbol, sign, or combination that is used to identify a product and to differentiate it from competitors' products [15]. The design that is Crocs' identity is in the form of an anthropomorphic crocodile and has been recognized by many consumers around the world. Crocs has built a fun and upbeat brand personality. Brand elements include the brand's own logo, a variety of bright colours and patterns and the inclusion of Jibbitz charms that encourage consumers to add their own personal touch to Crocs.

Brand Reputation

Reputation is the belief and impression that each person or group of people has about an object [16]. Brand reputation can occur because of the trust and feelings that the brand evokes in consumers. Based on the company's introduction, Crocs are not designed to look good, but are designed solely as practical and comfortable footwear [8]. Even though the design has been controversial, Crocs has managed to establish their brand's reputation as extremely comfortable footwear. Consumers who are loyal to this brand often emphasize the comfort of Crocs products, this has become one of Crocs' main advantages.

Price

Price is one element of the marketing mix which is dynamic in nature so that consumers are more sensitive to price, basically the price created can also determine the success of a company in gaining profits [17]. The influence of price on purchasing decisions is very important for consumers, this is because the price set by the company can be a benchmark for whether a product can be accepted by the public. If the price offered by the company is higher than consumers' purchasing power, it can result in a decrease in sales, but if the price offered by the company is lower, it will pose a risk to the company's profitability.

Buying Decision

Purchasing decisions are a series of decisions made by consumers to obtain a product or carry out certain activities. The results of research conducted by [8] show that the main factors influencing consumer purchasing decisions to buy Crocs products are comfort and practicality when used. This is followed by other factors related to aesthetics, price, and product quality.

METHODS

This research uses a quantitative type of research. Research with a quantitative approach is a positivism paradigm method that tests hypotheses from research models using research instruments, sampling techniques and data analysis techniques [18]. There are two types of variables, namely free variables or independent variables and dependent variables or usually called dependent variables. Furthermore, this research approach uses a questionnaire to be distributed to obtain information from respondents who represent the population.

No	Variables	Statement
1	Brand Reputation	Crocs products have good popularity as a footwear company
2		Crocs products have good function and quality when used
3		Purchasing Crocs products increases feelings of confidence when used
1	Price	Fake Crocs products offer affordable prices according to income
2		The price of fake Crocs products is in accordance with the perceived quality of the product
3		The price of fake Crocs products sold by distributors is cheaper when compared to genuine Crocs products
4		The price of fake Crocs products is in accordance with the benefits provided
5		The prices of fake Crocs products vary and the quality varies on the market
1	Buying Decision	Purchasing fake Crocs products is done if the quality and price meet consumer desires

2	The use of fake Crocs products occurs because many people use these products
3	Providing recommendations to local people to buy fake Crocs products
4	Make a repeat purchase if you are satisfied with the quality of the fake Crocs product

In this research, the sampling technique uses the Lemeshow formula, because the population size is still unknown. Researchers distributed questionnaires to 138 respondents with the criteria of respondents domiciled in South Jakarta and respondents who used fake Crocs products.

Population

A population is a group of people or an interesting event that researchers want to investigate [19] (Sekaran & Bougie, 2017). The population in this study is people who have used fake Crocs sandals but no longer do so, as well as people who still use fake Crocs sandals today. The population in this study is specifically for fake Crocs sandal users who currently live in South Jakarta.

Sample

The sample is several members selected from the population [19] (Sekaran & Bougie, 2017). Researchers used a non-random sampling technique, using purposive sampling. The respondents or samples that the author will take are: they have bought fake Crocs brand sandals and worn them themselves.

RESULTS

Normality Test

From the table above, it is known that the significance of the 2-tailed normality test using the Kolmogorov-Smirnov method is 0.200. So it is concluded that the significance value is $0.200 > 0.05$, which means the data is normally distributed and the residuals are normally distributed.

	Kolmogorov-Smirnova		
	Statistic	df	Sig.
Unstandardized Residual	.061	100	.200

Multicollinearity Test

The multicollinearity test table for the Purchasing Decision variable shows that the Brand Reputation and Price variables together have a tolerance of 0.954 and the VIF of each variable is < 10 . It can be interpreted that there is no multicollinearity between the independent variables.

Model	Unstandardized Coefficients		Standardized Coefficients		T	Sig.
	B	Std. Error	Beta			
1 (Constant)	.166	.904			.184	.854
ReputasiMerek	.122	.063	.196		1,962	.057
Harga	-,099	.034	-,027		-,266	.709

Heteroscedasticity Test

Based on the heteroscedasticity test results table above, the significance value of Brand Reputation is 0.057 and the significance value of Price is 0.709. It can be concluded that all results of significance values are greater than the error level of 0.05 (5%). Therefore, the regression model studied is free from heteroscedasticity.

Model	Unstandardized Coefficients		Standardized Coefficients		T	Sig.
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Harga	-,099	.034	-,027		-,266	.709

Linear Analysis

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	8,526	1,485		5,743	0,000
1	Reputasi Merek	.378	.104	.338	3,638	0,000
	Harga	.140	.057	.230	2,476	.015

$$Y = a + b_1X_1 + b_2X_2 + e$$

$$Y = 8,526 + 0,378X_1 + 0,140X_2 + e$$

From the regression equation model above, it can be concluded and interpreted as follows:

1. The constant of 8.526 means that if the two independent variables, namely Brand Reputation and Price, have a Satisfaction value of 0 (zero) or none, then the Purchase Decision is 8.526 units.
2. The Brand Reputation regression coefficient is 0.378, which means that the Brand Reputation variable (X1) has a positive influence on Purchasing Decisions (Y). If Brand Reputation increases by 1 unit, then Purchase Decisions increase by 0.378 assuming other variables have fixed values.
3. The Price regression coefficient is 0.140, which means that the Price variable (X2) has a positive influence on Purchasing Decisions (Y). If the price increases by 1 unit, then the Purchase Decision increases by 0.140 assuming other variables have fixed values.

Parsial Test (T-Test)

Model		Unstandardized Coefficients		Standardized Coefficients	T- hitung	Sig.
		B	Std. Error	Beta		
	(Constant)	8,526	1,485		5,743	0,000
1	Reputasi merek	.378	.104	.338	3,638	0,000
	Harga	.140	.057	.230	2,476	.015

1. Hypothesis Testing: The Brand Reputation Variable (X1) has a significant and positive effect on the Purchasing Decision Variable (Y).
2. Hypothesis Testing: The Price Variable (X2) has a significant and positive effect on the Purchasing Decision Variable (Y).

Simultan Test (F-Test)

	Model	Sum of Squares	df	Mean Square	F-hitung	Sig.
1	Regression	76,976	2	38,488	12,171	,000 ^b
	Residual	306,734	97	3,162		
	Total	383,701	99			

From the results of the table data above, it is known that the significance of the F Test is 0.000 or <0.05. Then the F-count is found to be 12.171 and the F-table is 2.70. It is concluded that 12.171 > 2.70 so there is a simultaneous influence of Brand Reputation and Price on Purchasing Decisions.

Determinant Coefficient Test Result R²

Model	R	R Square	AdjustedRSquare	Std. Errorof the Estimate
1	.448 ^a	.201	.184	1,77826

It can be concluded that the brand reputation and price variables influence the purchasing decision variable by 18.4%. On the other hand, 81.6% of purchasing decisions were influenced by other factors outside this research.

DISCUSSION

1. The influence of brand reputation on purchasing decisions

Based on hypothesis testing, it was found that brand reputation partially influences purchasing decisions significantly and positively. This can be seen from the smaller significance value ($0.000 < 0.05$), meaning that the brand reputation variable (X1) has a positive and significant effect on purchasing decisions (Y). Apart from that, the t-calculation results for the brand reputation variable are 3.638 and the regression coefficient is 0.378, so the brand reputation variable is stated to have a positive effect.

2. The influence of price on purchasing decisions

Based on hypothesis testing, it was found that price partially influences purchasing decisions significantly and positively. This can be seen from the smaller significance value ($0.015 < 0.05$), this means that the price variable (X2) has a positive and significant effect on purchasing decisions (Y). Apart from that, the t-calculation result on the price variable is 2.476 and the regression coefficient is 0.140, so the price variable is declared to have a positive effect.

3. The influence of brand reputation and price on purchasing decisions

Based on the results of the regression test, brand reputation and price together (simultaneously) influence purchasing decisions. The simultaneous test (F-test) carried out produced a calculated f value of 12.171 with a significance value of 0.000. The significance value is below the p-value. So, the hypothesis that brand reputation and price have a significant effect on purchasing decisions can be accepted.

The results of the analysis indicate that the reputation built by Crocs can be said to be successful. The reputation of the brand and the price set by fake Crocs together influence purchasing decisions in the eyes of the public.

Recommendations

Looking at the results of the research that has been carried out, in this chapter the author can draw several conclusions which are the core of the research that has been carried out regarding "The Influence of Brand Reputation and Price on the Decision to Purchase Counterfeited Crocs Products", namely as follows:

1. The brand reputation variable (X1) has 3 statement items that represent company image, product image and user image. Based on statistical findings, it can be said that the brand reputation of fake Crocs products is well established and has a positive and significant influence on purchasing decisions. This conclusion is based on the significant value of the T Test, namely $0.000 < 0.05$.
2. The price variable (X2) has 5 statement items which represent price affordability, price suitability to product quality, price competitiveness, price suitability to benefits, and the influence of price in making decisions. Based on calculations using the SPSS 25 application, price has a positive and significant influence on purchasing decisions. This conclusion is based on the results of the T Test which shows a value of $0.015 < 0.05$.
3. Brand reputation (X1) and price (X2) together (simultaneously) have a significant influence on the decision to purchase fake Crocs products. This can be seen from the F-count value of $12,171 > 2.70$ F-table with a significant value of $0.000 < 0.05$, so the hypothesis can be accepted. From the two lowest statements of variables X1 and X2, illustrates that good function and quality as well as varying prices in the market influence the decision to purchase fake Crocs products. **Author Contributions:** Conceptualization, I.L.T. and E.S.; methodology, I.L.T.; software, I.L.T.; validation, I.L.T. and E.S.; formal analysis, I.L.T.; investigation, I.L.T.; resources, I.L.T.; data curation, I.L.T.; writing original draft preparation, I.L.T.; writing review and editing, I.L.T.; visualization, I.L.T.; supervision, I.L.T.; project administration, I.L.T.; funding acquisition, E.S. All authors have read and agreed to the published version of the manuscript.

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