

The Influence of Perceived Value and Promotion on Purchase Decisions at XYZ Bakery

Rd. Andi Rifai Solihin*, Henricus Kurniawan Elang Kusumo, Wulan Meiaya Wowor

Universitas Pelita Harapan, Indonesia

Email: andi.atmawidjaja@gmail.com*

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Abstract

The bakery industry in Indonesia is rapidly developing, especially after the Covid-19 pandemic. The rapid growth has made competition in the bakery industry increasingly tight. The bakery industry is developing not only on a large industrial scale but also in small and medium-scale bakeries. To win the business competition, a good understanding of the factors that influence consumer purchasing decisions is needed. The objective of this study is to evaluate and analyze the influence of Perceived Value and Promotion on consumer purchase decisions at XYZ bakery. This study uses a deductive quantitative approach. The sampling technique in this study is convenience sampling. The population is consumers of the supermarket where XYZ bakery is located. Data collection was carried out by distributing questionnaires online via Google Form. This study uses indicators to measure the influence of the variables studied. From the distribution of questionnaires, a sample of 157 respondents was obtained, who were consumers of the supermarket where XYZ bakery is located from all over Indonesia. This study uses the SEM-PLS (Structural Equation Modeling-Partial Least Square) analysis technique with the Smart PLS 4 program as a test tool. The analysis results indicate that both independent variables, Perceived Value and Promotion, significantly influence purchase decisions. This indicates that improved value perception and more intensive promotions can significantly increase sales. This study contributes to marketing management literature by providing empirical evidence that perceived value and promotion significantly enhance consumer purchase decisions, offering actionable insights for retail bakery competitiveness in Indonesia.

Corresponding Author : Rd. Andi Rifai Solihin*

E-mail: andi.atmawidjaja@gmail.com*



INTRODUCTION

The bakery industry is part of the food industry, which uses wheat flour and yeast as the main ingredients in its production process (Cappelli & Cini, 2021). Bread has become one of the alternative primary food sources for Indonesian people. Due to its affordable price, bread is easily accepted by all levels of society, including the lower, middle, and upper classes (Fatharani & Yuliana, 2024). Bread is usually consumed as a breakfast food or as a snack during break time. Indonesian people like to eat bread because it is practical to eat and nutritious.

After Covid-19, bread consumption in Indonesia has grown significantly, and bread as a food is becoming more popular (Rahayu, Darsono, Marwanti, & Antriandarti, 2023). In the category of toast bread and sweet buns, it has shown significant growth in recent years. Based on data from Badan Pusat Statistik (2025), Average Per Capita Weekly Expenditure According to the Prepared Food and Beverage Group in Indonesia (Rupiah/Capita/Week), the toast bread

group in 2023 increased by 9.53% compared to 2018. The growth was even higher in 2022, with a 15% increase from 2018.

Still referring to data from Badan Pusat Statistik (2025), per capita expenditure per week for sweet buns and other bread groups in 2023 increased by 31.01% compared to 2018. The Ministry of Agriculture's data states that the growth in consumption of toast bread has increased 500% compared to 2014. Even in 2021, bread sales in Indonesia showed the highest figure in Southeast Asia, with a sales value of USD 18.7 billion or around IDR 2.6 trillion (adminonline, 2023).

Competition in the bakery industry in Indonesia is quite tight, especially in the retail bakery category (Santoso, Sayekti, & Lestari, 2023). There are many brands with a large number of outlets spread across Indonesia. In the retail bakery category, there are many local brands, including Holland Bakery, Mako, and Majestik Bakery (Wiranu, 2025). However, there are multinational brands as well, such as Tous Les Jours from Korea, developing the bakery business in Indonesia.

In the retail bakery category, there are also supermarkets that have their own bakeries, such as the XYZ brand, which is part of the national modern market retail chain (Jeremiah, 2023). Since the first store opened in 2004, the number of XYZ bakeries had reached 130 branches by April 2025. These branches are spread across Jabodetabek, Banten, West Java, Central Java, East Java, Bali, Nusa Tenggara, Sumatra, Kalimantan, Sulawesi, Maluku, and Papua.

In the middle of tight competition in the bakery industry, brand has become one of the key factors influencing consumers' purchasing decisions (Nilda, Erfiza, & Yasqi, 2020). Promotion is a useful instrument to build customers' brand awareness, educate consumers, and create interest in products (Adelia, Devi, & Kartika, 2024). Promotion involves efforts to make people aware of the company's products, learn about them, like them, and finally buy them. Additionally, it aims to keep the products memorable (Apriliani & Ainun, 2022). However, the success of promotion highly depends on how the perceived value of the brand is built in the minds of consumers. The term perceived value refers to consumer perception of quality, price, and brand image of a certain product.

The pre-survey results show that the most popular bakery brand chosen by consumers to buy bakery products is Holland Bakery, with a percentage of 54%, followed by Tous Les Jours with 21%, and then Mako with 14%. While XYZ was chosen by only 7% of the respondents, Majestik Bakery was chosen by 4%. These pre-survey results indicate that the XYZ brand is less popular than other brands used in the survey, such as Holland Bakery, Tous Les Jours, and Mako.

Other pre-survey results found that "supermarkets" are the most chosen locations for consumers to buy bakery products, with a percentage of 43%, followed by "bakery stores" at 32%, and finally "malls" at 25%. According to these results, it can be concluded that even though XYZ bakery is located inside supermarkets, which are chosen as the main destination for consumers looking for bakery products, this does not automatically make XYZ bakery a preferred brand destination.

According to Zuhdi and Primandini (2024), every company should pay attention to product quality, price, and promotion as key elements if they want their products to be competitive in the market and meet consumer needs (Zuhdi, Primandini, & Sujana, 2024). Kotler and Keller (2016) stated that promotion is a key component of the marketing mix used to educate, convince, and remind customers about the product. Effective promotion can increase brand awareness and influence purchasing decisions.

Consumer purchasing interest is influenced not only by the attractiveness of promotions alone but also by how consumers perceive benefits relative to the costs they spend (Indriyanti, 2020). Therefore, strong promotions without being balanced by positive brand value

perceptions cannot convert interest into actual purchases (Santini, Ladeira, Sampaio, & Falcao, 2015). The consumer purchase decision process can be explained as a series of steps that consumers go through before making final purchasing decisions (Hanaysha, 2018).

Based on previous research conducted by Zuhdi and Primandini (2024) and by Yuliantie (2021), promotion has a positive and significant effect on consumers' purchasing decisions. This research is supported by Andika and Setiadi (2021), who stated that location, promotion, and price perception positively influence consumer purchasing decisions.

Meanwhile, research by Indriyanti (2020) stated that perceived value positively influences purchasing decisions. This finding is also supported by Hanaysha (2018), who studied factors influencing consumer purchasing decisions in the Malaysian retail market, showing that perceived value has a positive and significant influence on purchasing decisions. This means marketing programs combined with good value can strengthen consumer purchases and generate sales and profit for the company (Hanaysha, 2018). Hanaysha (2018) also suggests that sellers focus on communicating the value of their products to customers.

However, there are indications that the perceived value and promotional activities at XYZ bakery are not very effective. The result is that the XYZ brand is less popular compared to its competitors in the same category (DiMattina, 2023). This condition is supported by the fact that even though the XYZ bakery is located in the most popular location chosen by consumers to buy bread, it does not make XYZ bakery their choice. If this condition is not addressed, it will cause customer purchasing decisions to decline and directly impact sales.

The novelty of this study lies in its specific focus on a supermarket-based bakery brand—XYZ Bakery—which operates within a modern retail chain environment, a context rarely explored in previous research. Most existing studies examine independent bakery chains or stand-alone retail stores, whereas this research investigates how perceived value and promotion influence purchase decisions in a supermarket setting, where consumers have multiple brand alternatives readily available. Furthermore, this study contributes empirically by using SEM-PLS analysis to quantify the relative impact of perceived value and promotion on purchase decisions, providing managerial insights specific to the Indonesian retail bakery sector. Theoretically, this research extends the application of consumer behavior models in the context of supermarket-based bakeries, an emerging retail format in Indonesia. Practically, the findings are expected to help XYZ Bakery and similar retail bakeries strengthen their marketing strategies through value-based promotions, enhance brand positioning, and improve competitiveness in an increasingly saturated market. Additionally, this study addresses a practical problem identified through pre-survey data, namely that XYZ Bakery is less popular than its competitors despite being located in the most preferred shopping location for bakery products, thus offering targeted strategic recommendations to improve brand preference and sales performance.

RESEARCH METHOD

This study used a deductive quantitative approach. To obtain relevant data, an online questionnaire was distributed to XYZ consumers. The questionnaire consisted of 15 statements designed to explore consumer purchase experiences and how perceived value and promotion influenced purchase decisions at XYZ bakery. Respondents provided assessments using a six-level Likert scale (1–6), where 1 indicated a very low level of disagreement or frequency, and 6 indicated a very high level of agreement or frequency. Hypothesis testing was conducted with an emphasis on numerical data collection and analysis. Data were collected by testing hypotheses derived from theoretical frameworks and literature studies using empirical data. The survey results were analyzed using one-way analysis to show the relationship direction between two variables (Sekaran & Bougie, 2016).

This study employed purposive sampling, selecting samples based on criteria related to the research objectives. The population consisted of consumers who had shopped at XYZ bakeries across Indonesia and had post-purchase experience to provide informed answers.

Following Joseph Hair's (2019) guideline, the sample size had to be at least five times the number of variables. Since this study analyzed three variables, the minimum sample size was set at 150 respondents to ensure valid and reliable statistical analysis.

The research involved one dependent variable and two independent variables. Perceived Value (X1) refers to consumer assessment of total benefits versus perceived costs (Kotler & Keller, 2016). Promotion (X2) represents marketing efforts using short-term incentives to stimulate quick or increased purchases (Kotler & Keller, 2016). Purchase Decision (Y) is the consumer choice made after evaluating product or service options (Lovelock & Wirtz, 2016). Each variable was measured using five indicators, all of which passed validity and reliability tests before final analysis.

Data were collected through an online questionnaire using Google Form and analyzed quantitatively with SmartPLS version 4.0 to validate relationships between variables.

Data analysis employed three methods. First, the Validity Test included convergent validity (outer loading ≥ 0.70 , AVE ≥ 0.50) and discriminant validity (Cross Loading and Fornell-Larcker criteria), ensuring indicators related more strongly to their own constructs than others. Second, the Reliability Test used Composite Reliability and Cronbach's Alpha to evaluate internal consistency, with acceptable values between 0.6 and 0.7. Third, the Model Fit Test evaluated the coefficient of determination (R-square) to assess how much variation in the dependent variable was explained by independent variables, and the Norm Fit Index (NFI) to assess overall model fit. Good model fit is indicated by values closer to 1.

RESULTS AND DISCUSSION

To ensure the quality of the variables used in the study, validity and reliability tests have been conducted. The objective is to evaluate whether the instrument is able to measure the intended variables accurately and consistently.

Validity Test

Table 1. Outer Loading Test Result

Perceived Value (X1)	Promotion (X2)	Purchase Decision (Y)
X1.1 = 0.916	X2.1 = 0.905	Y1 = 0.908
X1.2 = 0.934	X2.2 = 0.919	Y2 = 0.969
X1.3 = 0.951	X2.3 = 0.886	Y3 = 0.967
X1.4 = 0.939	X2.4 = 0.954	Y4 = 0.952
X1.5 = 0.922	X2.5 = 0.879	Y5 = 0.962

Source: SmartPLS Data Processing Results (2025)

Table 1 shows that outer loading values of all indicators in each variable are above 0.70, which means that all indicators meet the requirements of convergent validity. It shows that each question in the questionnaire successfully represents the measured construct, either for perceived value, promotion, or purchase decision.

Furthermore, the results of the evaluation of discriminant validity using cross loadings show that each indicator in this study has a stronger relationship with its own variables compared to other variables. Thus, all indicators show a high level of validity, as shown in the table below.

Table 2. Discriminant Validity – Cross Loadings Result

	Perceived Value (X1)	Promotion (X2)	Purchase Decision (Y)
X1.1	0.916	0.812	0.829
X1.2	0.934	0.784	0.77
X1.3	0.951	0.854	0.784
X1.4	0.939	0.802	0.775
X1.5	0.922	0.793	0.779
X2.1	0.843	0.905	0.832
X2.2	0.823	0.919	0.775
X2.3	0.715	0.886	0.753
X2.4	0.822	0.954	0.849
X2.5	0.733	0.879	0.732
Y1	0.716	0.781	0.908
Y2	0.813	0.84	0.969
Y3	0.817	0.831	0.967
Y4	0.825	0.824	0.952
Y5	0.846	0.86	0.962

Source: SmartPLS Data Processing Results (2025)

While the HTMT value below 0.90 indicates that each construct in the model has a clear empirical distinction, and there is no overlap in meaning between one construct and another. Therefore, it can be said that discriminant validity has been met, meaning each construct is capable of measuring different dimensions in accordance with the theoretical objectives of the study.

Table 3. Discriminant Validity –

	X1. Perceived Valuer	X2. Promotion	Y. Purchase Decision
X1. Perceived Value			
X2. Promotion	0.851		
Y. Purchase Decision	0.871	0.871	

Source: SmartPLS Data Processing Results (2025)

Reliability Test

Reliability is tested through the Cronbach's Alpha analysis values for each indicator. The analysis results show that the Cronbach's Alpha value is close to 1, which indicates a strong correlation between indicators. This finding is reinforced by the Composite Reliability results, where all indicators show values above 0.7. This conclusion is supported by the data presented in the following table.

Table 4. Cronbach's Alpha Value

Variable	Cronbach's alpha
X1. Perceived Value	0.962
X2. Promotion	0.947
Y. Purchase Decision	0.974

Source: SmartPLS Data Processing Results (2025)

Table 5. Composite Reliability Value

Variable	Composite reliability (rho_a)
X1. Perceived Value	0.963
X2. Promotion	0.950

Source: SmartPLS Data Processing Results (2025)

Referring to the analysis results that the minimum value of Composite Reliability and Cronbach's Alpha are above 0.7, it means that all indicators have adequate reliability and are suitable for use for further data analysis.

Model Fit Test

After analyzing the data obtained, the result shows that both variables, Perceived Value (X1) and Promotion (X2), are able to explain the variation in the dependent variable Y or Purchase Decision by 78.9%. This is reflected in the determination value (R-Square) of 0.789 or 78.9%. This means that X1 and X2 are able to explain field data by 78.9%, while others are explained by other variables that were not studied. In addition, this research model has a good fit with an NFI value of 0.921 or 92.1%. This NFI value shows that the model fits the data by 92.1%. Thus, the R-square and Norm Fit Index (NFI) values obtained are included in the strong category. Thus, it can be concluded that X1 and X2 can describe the variation of Y. This is in accordance with the analysis results in the table below.

Table 6. R-square value

	R-square	R-square adjusted
Purchase Decision	0.789	0.786

Source: SmartPLS Data Processing Results (2025)

Table 7. Norm Fit Index (NFI)

	Saturated model	Estimated model
SRMR	0.037	0.037
d_ULS	0.167	0.167
d_G	0.323	0.323
Chi-square	268.47	268.47
NFI	0.921	0.921

Source: SmartPLS Data Processing Results (2025)

Analysis of Research Results

The following table are showing the hypothesis test analysis obtained from this study.

Table 8. Hypothesis Test Results

Hypothesis	Original sample	T statistics	P values	Result
Perceived Value > Purchase Decision	0.368	2.799	0.005	Supported
Promotion > Purchase Decision	0.550	4.376	0.000	Supported

Source: SmartPLS Data Processing Results (2025)

Based on the data analysis result in table 8 above, it can be concluded that the first independent variable, namely Perception of Value (X1), has an influence coefficient of 0.368 with a t statistic of 2.799 and P Values of 0.005. P Values that are smaller than 0.05 indicate

that variable X1 give a positive effect to the dependent variable Y, namely Purchasing Decisions. The results of the X1 influence test are in line with the results of Irma Satya Indriyanti's (2020) research which states that Perceived Value has a significant effect on Purchasing Decisions. Thus, the first hypothesis (H1) which states that there is a positive influence between Perceived Value and Purchasing Decisions is supported.

Meanwhile, the second independent variable, namely Promotion (X2), has a coefficient of 0.550 with a t statistic of 4.376 and a P Value below 0.05. This means that X2 has a positive effect on the dependent variable Y. The results of the X2 influence test are in line with the results of similar studies conducted by Irma Satya Indriyanti (2020) and Emil Yuliantie (2021) which stated that Promotion give a significant and positive effect to Purchasing Decisions. Based on the analysis results, the second hypothesis (H2) which states that there is a positive influence between Promotion and Purchasing Decisions can be accepted. Therefore, it can be concluded that both variables, both the Perceived Value variable and the Promotion variable, have a positive effect on Purchasing Decisions.

The findings confirm that both perceived value and promotion have a significant influence on purchase decisions, consistent with the Theory of Planned Behavior, which posits that consumer attitudes shaped by perceived benefits and external stimuli drive purchasing intention. The results demonstrate that promotion has a stronger effect ($\beta = 0.550$) compared to perceived value ($\beta = 0.368$), suggesting that promotional activities play a more dominant role in influencing consumer purchase decisions at XYZ Bakery. This finding aligns with Kotler and Keller's (2016) marketing mix framework, emphasizing that promotion serves as a critical tool for educating, convincing, and reminding customers about products. However, the significant influence of perceived value indicates that consumers also evaluate the quality-to-price ratio and overall brand image before making purchase decisions. For XYZ Bakery, this suggests that communication emphasizing product quality, freshness, and value-added services will strengthen brand preference and customer loyalty in a competitive retail environment.

Managerially, XYZ Bakery should intensify value-based promotions emphasizing freshness, local sourcing, premium quality perception, and competitive pricing. Given that promotion has a higher influence coefficient (0.550) compared to perceived value (0.368), management should prioritize increasing promotional activities through both traditional and digital marketing channels. Opportunities to increase sales can be achieved by enhancing the intensity and quality of sales promotions, including social media campaigns, loyalty programs, in-store displays, and strategic partnerships with the parent supermarket chain. Additionally, XYZ Bakery should leverage its supermarket location advantage by creating bundled promotions and cross-selling opportunities that enhance perceived value. Improving promotional content quality, especially through visually appealing social media content showcasing product quality and variety, will help build stronger brand awareness and attract more consumers. Furthermore, training staff to effectively communicate product value propositions to customers can complement promotional efforts and enhance the overall customer experience.

CONCLUSION

The study on the influence of perceived value and promotion on purchasing decisions at XYZ Bakery found that both factors positively affected consumer purchasing decisions, with perceived value showing a significant effect (coefficient 0.368, $t = 2.799$, $p = 0.005$) and promotion having an even stronger impact (coefficient 0.550, $t = 4.376$, $p < 0.001$). Since promotion demonstrated a greater influence, it is recommended that XYZ management prioritize enhancing promotional activities by increasing their intensity, improving the quality of promotional media and content, especially on social media, and optimizing promotional delivery to boost sales. Future research could explore the role of other variables such as

customer loyalty or product quality in shaping purchasing decisions to provide a more comprehensive understanding of consumer behavior in the retail bakery sector.

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