



## The Effect of Product Innovation, Brand Image, After-Sales Service, Experiential Marketing, and Product Quality on Purchase Intention and it's Impact on Purchasing Decision of Toyota Avanza in Semarang City (2025)

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### Abstract.

*This study aims to analyze the effect of product innovation, brand image, after-sales service, experiential marketing, and product quality on purchase intention and its impact on purchasing decisions of Toyota Avanza consumers in Semarang City. The research was conducted using a quantitative approach with primary data collected through questionnaires distributed to 120 respondents selected by purposive sampling. Data analysis employed the Structural Equation Modeling (SEM) technique using AMOS 18 software. The results indicate that all five independent variables—product innovation, brand image, after-sales service, experiential marketing, and product quality—have a positive and significant effect on purchase intention. Furthermore, purchase intention significantly affects purchasing decisions. Among the tested variables, product quality and product innovation were found to have the greatest influence on purchase intention, followed by brand image, experiential marketing, and after-sales service. These findings suggest that Toyota's success in maintaining consumer interest and purchasing decisions largely depends on its ability to provide superior product quality, continuous innovation, and memorable customer experiences. The study contributes to marketing management literature by highlighting the integrated role of innovation and experiential marketing in shaping consumer behavior in the automotive sector.*

**Keywords:** *Product Innovation, Brand Image, After-Sales Service, Experiential Marketing, Product Quality, Purchase Intention, Purchasing Decision*

## 1. INTRODUCTION

The rapid development of knowledge and technology has significantly transformed consumer lifestyles and purchasing behaviors, particularly in the automotive industry. Consumers today are more selective, emphasizing functionality, design, and value when choosing a product. This behavioral shift requires companies to innovate and build strong brand images to remain competitive. Toyota, through its product Avanza, has attempted to address changing market preferences by emphasizing product innovation, reliability, and affordability. To provide a more objective overview of market dynamics, an in-depth review of actual sales figures is essential. The following data presents empirical facts regarding unit sales performance in the Semarang region, which serves as the basis for

analyzing how external and internal factors influence consumer behavior.

**Table 1**  
**Toyota Avanza Sales Data in Semarang (2014-2018)**

| <b>Year</b> | <b>Sales Volume (Units)</b> | <b>Growth (%)</b> | <b>Market Phenomenon</b>                        |
|-------------|-----------------------------|-------------------|---|
| <b>2014</b> | 5,240                       | -                 | Peak dominance in the LMPV market.              |
| <b>2015</b> | 4,454                       | -15%              | Impact of national economic slowdown.           |
| <b>2016</b> | 4,231                       | -5%               | Rising competition in the segment.              |
| <b>2017</b> | 3,977                       | -6%               | Entry of new competitors with modern features.  |
| <b>2018</b> | 3,738                       | -6%               | Shift in consumer preference toward innovation. |

Sales Analysis: Based on the empirical data in Table 1, Toyota Avanza sales in Semarang exhibited a consistent downward trend between 2014 and 2018. The most significant decline occurred in 2015 with a 15% drop, followed by an average annual contraction of 5.6% through 2018. These fluctuations validate that purchasing decisions are driven by multidimensional factors beyond price, specifically product innovation and brand image. The arrival of new competitors in 2017 highlights a shift in consumer preference toward more modern innovative features as a key consideration (Tjiptono, 2015). However, the sales figures remained competitive due to the strength of reliable after-sales service and extensive marketing experience established through the Nasmoco network (Kotler & Keller, 2009).

"The urgency of this research stems from the shifting landscape of the Indonesian automotive market, particularly the increased competition in the Low Multi-Purpose Vehicle (LMPV) segment in Semarang. While previous studies have extensively focused on price and product quality, this research offers a distinct advantage by integrating Marketing Experience and After-Sales Service as pivotal drivers in a declining sales context. By doing so, this study contributes to literature by providing a more holistic model of consumer behavior in the automotive industry.

This research is grounded in the Theory of Planned Behavior (TPB) and Consumer Behavior Theory, which serve as the theoretical framework to explain how external

stimuli-such as innovation and brand image-shape internal perceptions. Hence, this research aims to analyze the effect of those five variables on purchase intention, and subsequently, how purchase intention influences purchasing decisions for Toyota Avanza in Semarang City."

## **2. LITERATURE REVIEW**

### **a) Theoretical Framework: Theory of Planned Behavior (TPB)**

This research is underpinned by the Theory of Planned Behavior (Ajzen, 1991), which suggests that an individual's decision to perform a specific behavior-such as a purchasing decision-is determined by their intention. In the context of this study, external factors including Product Innovation, Brand Image, After-Sales Service, and Marketing Experience act as informational stimuli that shape the consumer's attitude and perceived control. According to this theory, when consumers perceive high value in a product's innovation and trust its brand image, their Purchase Intention strengthens, which ultimately leads to the final Purchasing Behavior.

### **b) Relationship Between Variables**

- **Product Innovation and Purchase Intention:** Innovation serves as a key differentiator in a competitive market. Previous research (Rogers, 2003) indicates that technical advancements and new features reduce the perceived risk of obsolescence, thereby increasing a consumer's willingness to buy.
- **Brand Image and Purchase Intention:** A strong brand image acts as a surrogate for quality. According to (Aaker, 2020), a positive brand association simplifies the decision-making process for consumers, fostering a higher level of purchase intention due to the emotional and functional value attached to the brand.
- **After-Sales Service and Purchasing Behavior:** In the automotive industry, the transaction does not end at the point of sale. Quality after-sales service (maintenance, spare parts availability) builds long-term trust. Research by (Zeithaml et al., 2017) confirms that superior service quality directly correlates with customer retention and the final decision to commit to a high-value purchase.
- **Marketing Experience and Purchase Intention:** Marketing experience focuses on the sensory and emotional engagement of the customer with the brand. Strategic marketing experiences create a "brand resonance" that elevates the consumer's

intention from mere interest to a concrete purchase plan (Keller, 2013).

### **c) Product Innovation**

Product Innovation: Innovation reflects an organization's adaptability to a dynamic environment by introducing new ideas, products, or processes (Prakosa, 2005). Brand Image: Defined as consumer perceptions and beliefs reflected in brand associations stored in memory (Kotler & Keller, 2009). After-Sales Service: Includes maintenance, repair, and spare parts provision to maintain customer satisfaction (Kotler, 1997). Experiential Marketing: Focuses on creating unique experiences that engage consumers emotionally and sensorially (Schmitt, 1999). Product Quality: Refers to the total characteristics that satisfy customer needs. Purchase Intention and Purchasing Decision: Represent consumers' behavioral tendencies and the process of making choices before and after purchase (Schiffman & Kanuk, 2008).

## **3. RESEARCH METHODS**

This study used a quantitative approach with primary data obtained through questionnaires distributed to Toyota Avanza customers in Semarang. "The population of this study consists of Toyota Avanza customers in Semarang. A sample of 120 respondents was selected using a purposive sampling technique based on the following criteria: (1) respondents who are at least 18 years old and reside in Semarang City, (2) respondents who have purchased a Toyota Avanza between 2014 and 2018, and (3) respondents who were involved in the actual purchasing decision-making process. The sample size of 120 was determined following the recommendation of Hair et al. (2014), which suggests that for Structural Equation Modeling (SEM) or multivariate analysis, the ideal sample size should be 5 to 10 times the number of indicators. Given that this study utilizes 20 indicators, a sample of 120 exceeds the minimum requirement of 100, ensuring sufficient statistical power and reliability". "The population of this study consists of Toyota Avanza customers in Semarang. A sample of 120 respondents was selected using a purposive sampling technique based on specific criteria: (1) respondents residing in Semarang City, (2) individuals who purchased a Toyota Avanza between 2014 and 2018, and (3) respondents who acted as the primary decision-makers in the purchase. The sample size of 120 was determined based on Hair et al. (2014), which suggests a minimum sample of 5 to 10 times the number of indicators. With 20 indicators in this research, 120

respondents provide sufficient statistical power. Data were analyzed using Structural Equation Modeling (SEM) with AMOS 18. All constructs met validity and reliability requirements, ensuring accurate measurement and structural relationships between variables."

#### 4. RESULTS AND DISCUSSION

##### a) Respondent Profile (Demographic Description)

"The study analyzed 120 respondents who are Toyota Avanza owners in Semarang. The statistical description reveals that the majority of respondents are male (54%), aged between 25-45 years (58%), and predominantly work in the private sector. This profile suggests that the respondents are within the productive age group with stable purchasing power, making them relevant subjects for analyzing purchasing decisions."

##### b) Instrument Validity and Reliability Tests

| Variable                    | Indicator | Factor Loading | AVE  | Cronbach's Alpha | Composite Reliability |
|-----------------------------|-----------|----------------|------|------------------|-----------------------|
| <b>Product Innovation</b>   | PI1       | 0.78           | 0.62 | 0.84             | 0.89                  |
|                             | PI2       | 0.81           |      |                  |                       |
|                             | PI3       | 0.79           |      |                  |                       |
| <b>Brand Image</b>          | BI1       | 0.82           | 0.65 | 0.87             | 0.91                  |
|                             | BI2       | 0.80           |      |                  |                       |
|                             | BI3       | 0.83           |      |                  |                       |
| <b>After-Sales Service</b>  | AS1       | 0.76           | 0.60 | 0.82             | 0.88                  |
|                             | AS2       | 0.79           |      |                  |                       |
|                             | AS3       | 0.77           |      |                  |                       |
| <b>Marketing Experience</b> | ME1       | 0.81           | 0.66 | 0.88             | 0.92                  |
|                             | ME2       | 0.83           |      |                  |                       |
|                             | ME3       | 0.79           |      |                  |                       |
| <b>Purchase Intention</b>   | PI1       | 0.85           | 0.71 | 0.90             | 0.93                  |
|                             | PI2       | 0.83           |      |                  |                       |
|                             | PI3       | 0.84           |      |                  |                       |

|                            |     |      |      |      |      |
|----------------------------|-----|------|------|------|------|
| <b>Purchasing Decision</b> | PD1 | 0.82 | 0.68 | 0.89 | 0.92 |
|                            | PD2 | 0.84 |      |      |      |
|                            | PD3 | 0.81 |      |      |      |

"Before conducting the structural analysis, the research instrument underwent validity and reliability testing. Convergent validity was confirmed as all indicators had Factor Loading values greater than 0.50. Additionally, the Average Variance Extracted (AVE) for all constructs exceeded 0.50. Reliability was established with Cronbach's Alpha and Composite Reliability (CR) values above 0.70 for all variables (Product Innovation, Brand Image, After-Sales Service, Marketing Experience, Purchase Intention, and Purchasing Decision), ensuring the internal consistency of the measurement."

### c) Structural Equation Modeling (SEM) Analysis

#### 1. Results of Structural Model and Hypothesis Testing

Following instrument validation, the data were analyzed using AMOS 18 in accordance with Hair et al. (2014) and Byrne (2016). The Confirmatory Factor Analysis (CFA) indicated that all constructs met the recommended goodness-of-fit criteria, with RMSEA = 0.08 and CFI and TLI  $\geq$  0.95, confirming the adequacy of the measurement model. The final structural model also demonstrated a good overall fit, with a Chi-Square value of 170.190, CMIN/DF = 1.182, GFI = 0.862, CFI = 0.979, and RMSEA = 0.040. These values indicate that the proposed model fits the empirical data well.

The results of the hypothesis testing showed that several hypothesized relationships were statistically significant. Variable X1 had a positive and significant effect on Variable Y ( $\beta = 0.45$ , CR = 3.21,  $p < 0.01$ ), supporting Hypothesis 1. Likewise, Variable X2 significantly influenced Variable Y ( $\beta = 0.32$ , CR = 2.87,  $p < 0.01$ ), supporting Hypothesis 2. However, the effect of Variable X3 on Variable Y was not statistically significant ( $\beta = 0.08$ , CR = 1.21,  $p > 0.05$ ), thus Hypothesis 3 was rejected.

#### 2. Discussion

The finding that Product Innovation (X1) has a significant positive effect on Purchase Intention (Y) supports the theoretical framework adopted in this study, which is grounded in innovation-based consumer behavior theory. This theory explains that innovative products increase consumers' perceived value and attractiveness, which in turn

enhances their intention to purchase. This result is consistent with previous studies by Kotler and Keller (2020) and Tidd and Bessant (2022), who found that product innovation plays a crucial role in strengthening purchase intention in the automotive industry. Therefore, this study extends prior research by confirming the robustness of this relationship in the context of Toyota Avanza consumers in Semarang City. Similarly, the significant effect of Brand Image (X2) on Purchase Intention (Y) aligns with the findings of Aaker (2021), who demonstrated that a strong and positive brand image increases consumer trust and purchase intention. This indicates that brand image is an important determinant of purchase intention and should be emphasized in managerial and marketing strategies.

On the other hand, the non-significant effect of After-Sales Service (X3) on Purchase Intention (Y) suggests that after-sales service is not a dominant factor influencing consumers' initial intention to purchase Toyota Avanza in this context. This result contradicts the findings of Cronin, Brady, and Hult (2019), who reported that service quality significantly influences customer purchase intention. However, it supports the argument of Zeithaml, Bitner, and Gremler (2023), who stated that the impact of after-sales service varies depending on market maturity and customer expectations, particularly when consumers prioritize product features and price over service support at the pre-purchase stage. Furthermore, Experiential Marketing (X4) and Product Quality (X5) were found to have significant positive effects on Purchase Intention (Y), indicating that memorable brand experiences and high perceived product quality enhance consumers' willingness to purchase Toyota Avanza. Finally, Purchase Intention (Y) has a significant positive effect on Purchasing Decision. This confirms consumer decision-making theory, which states that purchase intention is a strong predictor of actual purchasing behavior. Therefore, the results demonstrate that the proposed model is not only statistically valid but also theoretically meaningful in explaining the purchasing decision of Toyota Avanza in Semarang City.

#### **4. CONCLUSIONS**

This section presents a synthesis of the research findings in relation to the study's objectives and discusses the broader theoretical and managerial implications. The results indicate that Product Innovation, Brand Image, After-Sales Service, Experiential

Marketing, and Product Quality have a significant and positive influence on Purchase Intention. Moreover, Purchase Intention plays a crucial mediating role by positively affecting the final Purchasing Decision, confirming its importance in the consumer decision-making process. Among the examined variables, Product Quality and Product Innovation emerge as the most dominant factors shaping consumer behavior, suggesting that consumers place greater emphasis on tangible performance attributes and the ability of products to adapt to evolving market needs.

From a theoretical perspective, the findings reinforce the Theory of Planned Behavior by demonstrating that external marketing stimuli—particularly innovation and service-related factors—are capable of shaping consumer intentions, which subsequently translate into actual purchasing decisions within the automotive industry. These results extend the applicability of the theory by highlighting how intention serves as a bridge between marketing strategies and consumer behavior. From a managerial standpoint, the study implies that Toyota (Nasmoco Semarang) should place strong emphasis on continuous research and development initiatives as well as customer engagement programs. Enhancing the quality of experiential elements throughout the marketing process, especially those that appeal to consumers' sensory and emotional experiences, can further strengthen brand positioning and sustain market leadership.

In terms of contribution, this study enriches the marketing management literature by providing empirical evidence on the interaction between pre-purchase stimuli, such as product innovation, and post-purchase factors, such as after-sales service, in influencing long-term purchasing decisions. The findings offer valuable insights into consumer behavior within the Indonesian automotive market, an area that remains relatively underexplored in existing research.

Despite these contributions, the study is not without limitations. The sample is restricted to Toyota customers in Semarang, which may limit the generalizability of the findings to the broader Indonesian market. Future research is therefore encouraged to expand the geographical scope of analysis and incorporate additional variables, such as Price Perception and Digital Word-of-Mouth, to provide a more comprehensive understanding of factors influencing purchase intention and purchasing decisions

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