

CORRELATION OF PRICE AND PRESTIGE VALUE ON THE PURCHASE OF GOLD JEWELRY IN REJANG LEBONG DISTRICT DURING THE FASTING MONTH

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Abstract

This study aims to understand the factors influencing consumer purchasing decisions, specifically in the context of buying gold jewelry during Ramadan in the Rejang Lebong Regency. Ramadan often serves as a significant time for purchasing gold jewelry as a religious, cultural symbol, and investment. The study investigates the relationship between price and prestige value in the purchase decisions of gold jewelry. Data was collected through questionnaires distributed to 100 consumers who bought gold jewelry during Ramadan 2024 using a purposive sampling method. Additionally, structured interviews were conducted to gain deeper insights. Data analysis was performed using simple linear regression to test the relationship between price and prestige value on purchase decisions. The results indicate a significant relationship between price and prestige value with consumer purchase decisions. This suggests that price and prestige value directly influence consumer purchase decisions during Ramadan in Rejang Lebong. These findings are consistent with economic theories stating that price and prestige value are important factors in decision-making. The implications of these results highlight the importance of marketing strategies that consider these factors to attract consumers.

Keywords: Price, prestige value, Gold jewelry purchase, Rejang Lebong Regency

Abstrak

Studi ini bertujuan memahami faktor yang memengaruhi keputusan pembelian konsumen, khususnya dalam konteks pembelian perhiasan emas selama Ramadan di Kabupaten Rejang Lebong. Ramadan sering menjadi momen penting untuk membeli perhiasan emas sebagai simbol keagamaan, budaya, dan investasi. Penelitian ini meneliti hubungan antara harga dan nilai prestise terhadap keputusan pembelian perhiasan emas. Data dikumpulkan melalui kuesioner yang didistribusikan kepada 100 konsumen yang membeli perhiasan emas selama Ramadan 2024 menggunakan metode purposive sampling. Selain itu, wawancara terstruktur dilakukan untuk mendapatkan pemahaman lebih dalam. Analisis data menggunakan regresi linear sederhana untuk menguji hubungan antara harga dan nilai prestise terhadap keputusan pembelian. Hasil penelitian menunjukkan adanya hubungan signifikan antara harga dan nilai prestise dengan keputusan pembelian konsumen. Ini menunjukkan bahwa harga dan nilai prestise berpengaruh langsung pada keputusan pembelian konsumen selama Ramadan di Rejang Lebong. Temuan ini konsisten dengan teori ekonomi yang menyatakan bahwa harga dan nilai prestise adalah faktor penting dalam pengambilan keputusan pembelian. Implikasi dari hasil ini menekankan pentingnya strategi pemasaran yang mempertimbangkan faktor-faktor tersebut untuk menarik konsumen.

Kata kunci: Harga, nilai prestisius, Pembelian perhiasan emas, Kabupaten Rejang Lebong

Introduction

The use of gold as jewelry and investment has been an integral part of the culture of people around the world for centuries (Bykowa et al., 2020). As a rare and beautiful precious metal, gold has strong symbolic value as social status, wealth and beauty (Tumendemberel et al., 2020). In many cultures, gold is used as a symbol of wealth and good fortune, as well as a beautiful and valuable piece of jewelry worn on important occasions such as weddings, religious ceremonies, and festivals (Diallo et al., 2021). Apart from jewelry, gold is also used as a stable and high-value investment (Gupta et al., 2023). Gold is often considered a hedge against inflation and economic instability, so many people invest part of their wealth in physical gold or other gold-based investment instruments.

In Indonesia, gold jewelry has a high symbolic and economic value in the culture of its people, including in Rejang Lebong Regency (Yang et al., 2022). During Fasting Mounth in 2024, the demand for gold jewelry is likely to increase as many people choose to give gifts of gold jewelry as part of tradition or as an investment. However, the purchase decision of gold jewelry is not only influenced by price but also by the prestigious value of the product. Several previous studies have supported the concept of the relationship between price and prestigious value in gold jewelry purchasing decisions. Das et al., (2022) showed that the prestigious value of gold jewelry brands also influences consumer preferences. In addition, the price and prestige value factors are interrelated in influencing gold jewelry purchasing decisions.

Although many studies have been conducted in the context of gold jewelry purchase decisions, no study has specifically examined the relationship between price and prestige value on gold jewelry purchases in Rejang Lebong Regency during Ramadan. Therefore, this study aims to fill this knowledge gap by identifying the relationship between the price and prestige value of gold jewelry purchases in Rejang Lebong Regency during Ramadan in 2024.

This study hypothesizes that there is a positive relationship between the price and prestige value on gold jewelry purchases in Rejang Lebong Regency during Ramadan. By understanding the relationship between price and prestige value in the context of gold jewelry purchases during Ramadan, it is expected that this research can make a significant contribution to the development of more effective gold jewelry marketing strategies, especially for gold jewelry manufacturers and retailers in Rejang Lebong Regency. Some more complex hypothesis formulations for this research on the correlation of price and prestige value on the purchase of gold jewelry in Rejang Lebong Regency during Ramadan in 2024.

Hypothesis 1 (Price): There is a positive relationship between the price of gold jewelry and the purchasing decision of the people of Rejang Lebong Regency during Ramadan. This hypothesis shows that the higher the price of gold jewelry, the lower the purchasing intention of the people of Rejang Lebong Regency during Ramadan. This implies that price has a significant influence in determining whether someone will buy gold jewelry or not. In this context, consumers may be more likely to delay or reduce purchases if the price of gold jewelry is too high.

Hypothesis 2 (Prestigious Value): There is a positive relationship between the perceived prestigious value of gold jewelry and the purchasing decision of the people of Rejang Lebong Regency during Ramadan. This hypothesis shows that the higher the perception of prestigious value of gold jewelry, the higher the purchasing tendency of the people of Rejang Lebong Regency during Ramadan. This suggests that the image or reputation aspect of gold jewelry plays an important role in influencing purchasing decisions. Consumers may be more inclined to buy gold jewelry that is perceived to have a high prestigious value.

Hypothesis 3 (Relationship between Price and Purchase Intention): There is a positive

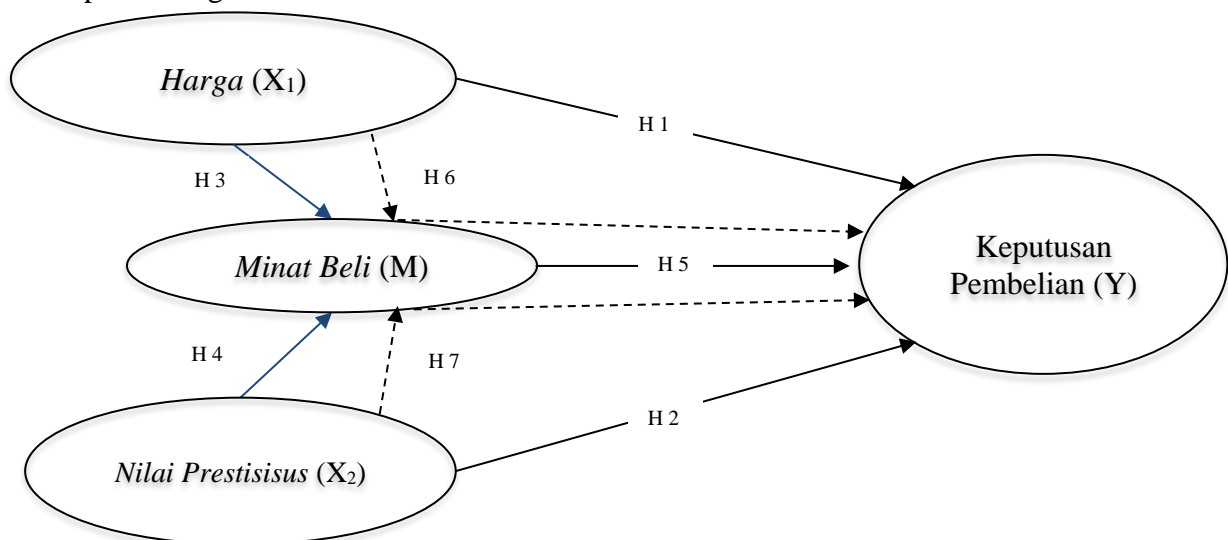
relationship between the price of gold jewelry and purchase intention of the people of Rejang Lebong Regency during Ramadan. This hypothesis is based on the assumption that the higher the price of gold jewelry, the lower the purchase intention of consumers. This indicates that high prices can be an obstacle for consumers to be interested in buying gold jewelry. The price factor is an important consideration for consumers in deciding whether to buy or not.

Hypothesis 4 (Relationship between Prestigious Value and Purchase Intention): There is a positive relationship between perceived prestigious value of gold jewelry and purchase intention of Rejang Lebong Regency residents during Ramadan. This hypothesis shows that the higher the perception of the prestigious value of gold jewelry, the higher the consumer purchase intention. This indicates that the gold jewelry brand image or reputation factor can increase consumer buying interest. Consumers tend to be attracted to gold jewelry that is considered to have a high prestigious value.

Hypothesis 5 (Relationship between Purchase Intention and Purchase Decision): There is a positive relationship between the buying interest of the people of Rejang Lebong Regency during Ramadan and the decision to purchase gold jewelry. This hypothesis states that the higher the consumer's buying interest, the higher the propensity to buy gold jewelry. High purchase intention can be an important predictor in determining whether consumers will actually make a purchase or not.

Hypothesis 6 (Mediation of Purchase Intention): Purchase intention of gold jewelry mediates the relationship between the price of gold jewelry and the purchasing decision of the people of Rejang Lebong Regency during Ramadan, where purchase intention positively connects price with purchasing decisions.

Hypothesis 7 (Purchase Intention Mediation): Purchase intention of gold jewelry mediates the relationship between the prestigious value of gold jewelry and purchasing decisions of the people of Rejang Lebong Regency during Ramadan, where purchase intention positively connects prestigious value with purchasing decisions.



Framework

Research Methods

This study used a quantitative survey research design to collect data from respondents representing the people of Rejang Lebong Regency. The survey was conducted during the month of Ramadan in 2024 to capture purchasing trends and perceptions towards gold jewelry (Barlian, 2018). The main objective of this study is to provide a deeper understanding of the factors that influence consumer behavior in purchasing gold jewelry during Ramadan in Rejang Lebong Regency. By

knowing these factors, it is expected to help decision-makers in developing more effective marketing strategies for gold jewelry products in the region (Riptiono & Setyawati, 2019).

The population in this study is the people of Rejang Lebong Regency who have the potential to buy gold jewelry during Ramadan (*Management Innovator*, 2022). The sample will be purposively selected, with inclusion criteria that include respondents who are 18 years old and above, have experience purchasing gold jewelry, and are in Rejang Lebong Regency during the Fasting Month in 2024. The expected sample size is around 100 respondents.

Data will be collected through filling out a questionnaire that includes questions about gold jewelry price, perceived prestige value, purchase intention, and purchase decision (Hermawan, 2019). In addition, supporting data such as income, age, and education will also be collected to obtain information on control variables. Data will be analyzed using regression analysis to test the relationship between price, prestige value, purchase intention, and purchase decision. Simple linear regression will be used to test hypotheses 1, 2, 3, 4, and 5, while multiple linear regression will be used to test hypotheses 6 and 7.

Results and Discussion

Descriptive Analysis

This analysis aims to gain an understanding of the variable data of price, prestigious value, purchase intention, and the decision to purchase gold jewelry for the community in Rejang Lebong Regency during Ramadan in 2024.

Table. Presentation of Frequency Distribution of Variables In The Study

| VARIABLE | MEAN | STANDARD DEVIATION | CATEGORIES |
|---------------------------|-------|-----------------------|------------|
| PRICE (X1) | 25,03 | 5,112 | Good |
| PRESTIGIOUS VALUE (X2) | 36,85 | 4,558 | Good |
| BUYING INTEREST (M) | 36,98 | 5,117 | High |
| PURCHASE DECISION (Y) | 27,07 | 3,178 | Good |

Sumber: Data sekunder yang diolah, 2024

Based on the table above, most consumers indicate that prices are considered good. The average price score is 25.03, which falls into the good category. The variation in perceived price ranges from very good to very bad, with a standard deviation of 5.112. In addition, the majority of consumers also perceive it as good, with a mean prestige score of 36.85 with an error rate of 4.558. The average consumer purchase intention score of 36.98 is considered quite high with an error rate of 5.117. The average purchase decision score of 27.07 also tends to be good with an error rate of 3.178.

Results of Simple Linear Regression Analysis

Simple linear regression analysis is intended to illustrate the impact of the independent variable on the dependent variable. The effect of simple linear regression analysis can be explained as follows:

1. For Price Impact on Purchasing Decision

The regression equation obtained is $Y = 21.308 + 0.235 X_1 + e$. It appears that purchasing decisions do not consider price has a score of 21.308. Every one-point increase in price will lead to an increase of 0.235 points in purchasing decisions. Although the regression coefficient result is not large, it is statistically high at a probability of 0.003. This indicates that H1 (alternative hypothesis) is accepted. The R square of the regression model is 14.20%, which means that the variability of purchasing decisions can be defined by the price variable to the

extent of 14.20%, with the remaining 85.80% being defined by other factors.

2. For the Impact of Prestigious Value on Purchasing Decision

From the regression results, it is obtained that the purchase decision score when without prestigious value is 19.026. If added by the prestigious value of 1 point, the purchase decision value will increase by 0.219. The regression equation obtained is $Y = 19.026 + 0.219x_2 + e$. Although the regression coefficient result is not large, it is statistically relevant with a probability of 0.000. This shows that H2 (alternative hypothesis) can be accepted, meaning that there is a significant effect of prestigious value directly on purchasing decisions. The R square of the regression model is 0.098, which means that the variability of purchasing decisions that can be attributed to prestigious value amounts to 9.8%, while the remaining 90.2% is defined by other factors.

3. For Price Impact on Purchase Intention

Based on the results of the regression analysis, the regression coefficient between price and purchase intention is 0.570, with a constant of 22.746, and a statistical relevance of 0.000. The regression equation is $Y = 22.746 + 0.570 x_1 + e$. This indicates that if the price is zero, purchase intention has a value of 22.570. Every one-point increase in price increases the value of purchase intention by 0.570 points. The probability of this regression equation is 0.000, which is less than the significance level of 0.05, thus indicating that price has a significant influence on purchase intention. Therefore, H3 can be accepted. The R square of the regression model is 0.324, which means that 32.20% of the variability in purchase intention can be explained by price, while the remaining 67.80% is defined by other factors.

4. For the Impact of Prestigious Value on Purchase Intention

From the results of the regression analysis, the equation is obtained: $Y = 16.746 + 0.556x_2 + e$. The equation shows that if purchase intention does not consider prestigious value, it has a score of 16.746. Every one-point increase in prestigious value will increase the purchase intention value by 0.556 points. The probability level of prestige value is 0.000, indicating that prestige value has a relevant impact on purchase intention. Therefore, H4 can be accepted. The R square value of the calculation is 0.250, which means that 24.91% of the variability in purchase intention can be explained by prestige value, while the remaining 75.09% is explained by other factors.

5. For the Impact of Purchase Intention on Purchasing Decision

The regression analysis calculation indicates that if the purchase interest is empty, the value of the purchase decision is 16.580. Every one-point increase in the purchase interest variable can grow the purchase decision value by 0.284 points. The probability of the coefficient in the regression equation is 0.000, indicating that purchase intention has a significant effect on purchasing decisions. Therefore, H5 can be accepted. According to the results of the R square value obtained, the impact of purchasing decisions that can be described on the purchase interest variable is 28.41%, while 71.59% of the excess is defined by factors other than that.

Results of Multiple Regression Analysis

Multiple regression analysis is intended to evaluate how much influence two *independent variables*, X_1 and X_2 , have on the *dependent variable*, as well as the role of mediating variables in the relationship between the *independent variable* and the *dependent variable*. (Mantauy, 2014).

1. The regression coefficient of price (x_1) is 0.108 at the probability level of 0.227, while the regression coefficient of purchase intention is 0.223. This shows that price (x_1) has no significant impact on purchasing decisions (Y) after being mediated by purchase intention (M), so H6 is rejected.

2. The regression coefficient of prestigious value (x_2) is 0.081 with a probability stage of 0.396,

while the regression coefficient of purchase intention is 0.248. From these results, it can be concluded that prestigious value (x_2) does not have a significant influence on purchasing decisions (Y) after being mediated by purchase intention (M), so H7 is also rejected.

With these calculations, it can be understood that buying interest really serves as a full mediation. This can be seen from the fact that the variables of price and prestigious value have no influence on purchasing decisions after mediating purchase intention (Mantauv, 2014). These results also show that the indirect effect of price on purchasing decisions (0.107) is much smaller than the direct effect of prestigious value on purchasing decisions (0.234). Likewise, the indirect effect of prestigious value on purchasing decisions (0.080) is much smaller than the direct effect (0.219). Therefore, it can be concluded with certainty that purchase intention does not have a role as a mediator variable in this analysis.

Discussion

From the calculation of the analysis with a descriptive point of view, it shows that the majority of consumers in Rejang Lebong Regency consider the price and prestigious value of gold jewelry to be good, with an average price score of 25.03 and an average prestigious value score of 36.85. In addition, consumers also have a high purchase intention, with an average purchase intention score of 36.98. Consumer purchasing decisions also tend to be good, with an average score of 27.07. This shows that the factors of price, prestigious value, purchase intention, and purchase decision play an important role in consumer purchasing behavior related to gold jewelry. Thus, the results of this study are consistent with previous findings showing that the purchase intention variable mediates the relationship between price and prestige value with purchasing decisions (Islam et al., 2023; Panchyshyn et al., 2020).

From the results of simple linear regression analysis, it can be seen that price and prestigious value have a significant influence on purchasing decisions. Every one point increase in price will increase purchasing decisions by 0.234 points, while every one point increase in prestigious value will increase purchasing decisions by 0.218 points. In addition, price and prestigious value also have a significant effect on purchase intention, which then also affects purchasing decisions. However, the results of multiple regression analysis show that purchase intention mediates the relationship between price, prestige value, and purchase decision. This shows that although price and prestige value have a direct influence on purchasing decisions, this influence becomes insignificant after being mediated by purchase intention. This is by the assumptions of (Ishaq et al., 2023). Interest in a product or service encourages individuals to take action to obtain it. In the context of gold jewelry sales, competitive price offers and the prestigious value provided can be used by producers to attract consumer interest. This can be an effective strategy to generate consumer buying interest and encourage them to make gold jewelry purchases. Consumers who are interested or feel happy with the product and its prestigious value will tend to make a purchase. Therefore, consumer buying interest has a significant influence on purchasing decisions (Albada et al., 2019; Shen et al., 2023).

However, in this case, it was revealed that price and prestige value are not mediated by purchase intention in influencing purchasing decisions. This is due to the relatively small influence of price and prestige value on purchasing decisions, as explained in the previous analysis. When consumers know the price and prestigious value of a product, they may have the desire to buy it. However, their perception of high price and great prestige value may discourage some of them from buying. Therefore, it is important to note that purchase intention plays a key role in influencing the effect of price and prestige value on gold jewelry purchase decisions. This suggests that businesses need to consider these factors in designing effective marketing strategies to increase gold jewelry sales,

particularly in Rejang Lebong Regency during the Fasting month.

Conclusion

The results of the analysis and discussion of this study indicate that price and prestigious value directly influence purchasing decisions. Price in accordance with expectations is an important factor for consumers in making purchases, while prestigious value is an encouragement and attraction for consumers. However, when these two factors are mediated by purchase intention, there is no impact on purchasing decisions. This shows that purchase intention does not play a mediating role in people's purchasing decisions. Although people are attracted to the price and prestigious value of the product, they will not necessarily make a purchase, especially if the price is relatively high and purchasing power is limited. For gold jewelry entrepreneurs in Rejang Lebong Regency, it is recommended to analyze product prices and increase their prestige value to attract consumer buying interest. The price and prestige value of the product should be matched to the purchasing power of consumers such as selling in small parts, to get a larger market. The limitation of this study is that it was conducted in a short period, eventually, all the samples utilized were fewer and may not be representative. Therefore, it is recommended to conduct further research by combining other variables as mediators of purchasing decisions. In addition, research also needs to involve a more comprehensive analysis of the effect of price and prestige value together on purchase intention and purchase decisions.

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