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## **The Effect of Product Diversification and Brand Equity on Purchase Decisions With Promotion Strategy as a Moderator**

**Yudha Sapta Pratama<sup>1</sup>, Evien<sup>2</sup>, Oliver Ignatius Tarunay<sup>3</sup>**

<sup>123</sup>Universitas Buddhi Dharma

[yudha.sapta@gmail.com](mailto:yudha.sapta@gmail.com), [smile.wp88@gmail.com](mailto:smile.wp88@gmail.com), [oliverawi1998@gmail.com](mailto:oliverawi1998@gmail.com)

Product diversification and brand equity are two critical factors that can influence consumer purchasing decisions. Product diversification can expand the range of products and services available to consumers, while brand equity can create trust and consumer loyalty. Promotion strategies can also serve as a moderator in the relationship between product diversification and brand equity with purchasing decisions. This research aims to analyze the impact of product diversification, brand equity, and promotion strategies on purchasing decisions. This study uses the Structural Equation Modeling (SEM) method with the assistance of Smart PLS software. The Hair method is used to determine the sample size, resulting in 140 respondents. The research results show that product diversification and brand equity have a positive influence on purchasing decisions. Promotion strategies play a moderating role that strengthens the influence of product diversification and brand equity on purchasing decisions, with the coefficient of determination analysis showing a figure of 72.6%, while the remaining 27.4% is influenced by other unexamined factors. Implications for companies indicate that companies aiming to enhance consumer purchasing decisions need to pay attention to two aspects: product diversification and brand equity. Product diversification can be achieved by offering a variety of products that can meet the diverse needs and desires of consumers. Brand equity can be built by creating trust and consumer loyalty. Furthermore, companies also need to use appropriate promotion strategies to enhance consumer purchasing decisions. Promotion strategies can be used to influence consumer perceptions of the products or services offered.

**Keywords: Brand Equity, Product Diversification, , Promotion Strategy, Purchasing Decision, Structural Equation Modeling (SEM)**

### **Introduction**

In the era of globalization, companies must continuously innovate and adapt to compete with other companies from various countries. Indonesia is a country with a healthy and growing economy in Asia, with GDP growth of 5.03 percent (yoy) in the first quarter of 2023. This shows that the Indonesian economy is able to survive in the midst of an uncertain global economic situation. In addition, inflation in Indonesia is also relatively controlled, at 3.52 percent (yoy) in June 2023 (Rodani, 2023). Based on the above phenomena and facts, it can be shown that the purchasing power of the community can be maintained in buying necessities. The right and massive promotional strategy can encourage consumers to make immediate purchase decisions.

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<sup>1</sup>Coressponden: Yudha Sapta Pratama. Universitas Buddhi Dharma. Jalan Imam Bonjol No. 41 Karawaci Ilir Tangerang. [yudha.sapta@gmail.com](mailto:yudha.sapta@gmail.com)

However, to increase the level of purchase decisions in the community, companies also need to implement product diversification strategies and build strong brand equity. Product diversification strategy can expand the range of products offered by a company. Companies can present new product portfolios that are in line with market conditions and target consumers. Brand equity refers to the value and image of a brand in the eyes of consumers. Brands with positive brand equity will be more attractive and preferred by consumers.

The decision-making process in purchasing has been studied by several researchers (Aditya et al., 2021); (Melisa et al., 2020); (Wiyata & Kusnara, 2022); (Nasution et al., 2022); (Auliana & Ameliany, 2021) It can be stated that attractive, clear, and prolonged promotions can increase consumer awareness of a product, thus increasing the likelihood of consumers purchasing the product. (Sandy & Aquinia, 2022); (Ayuni & Wijaya, 2019); (Febriyanti & Linawati, 2022); (Kurniawan et al., 2022); (Marlius & Darma, 2023) It can be explained that a price that is not too high and is in line with the quality of the product will increase the likelihood of consumers purchasing the product. This is in line with research conducted by (Adhitya et al., 2022); (Dakhi et al., 2020); (Zein et al., 2022); (Musdalifa et al., 2021); (Candra & Hidayatinnisa, 2023) Product diversification can significantly increase purchase decisions, both directly and indirectly.

This study aims to investigate the influence of product diversification, brand equity, and promotion strategy as moderators on the purchase decision variable. The researchers acknowledge that this research variable is the first study conducted on this topic. This is because this research model is a development of previous relevant research that has its own uniqueness. The researchers concluded that the ideal respondents for this study are consumers of a particular product or brand. This study also aims to understand how product diversification and brand equity, with promotion strategy as a moderator, can influence purchase decisions. This research has different characteristics from previous research that only considered the direct relationship between variables without considering moderating factors. Research can be conducted for purposes such as identifying new trends in a field, providing practical insights for business stakeholders, and expanding understanding in a field.

Based on the results of the study of the above phenomena, the research problem can be formulated as follows: to analyze the strength of the influence of product diversification, brand equity, and promotion strategy on consumer purchase decisions for a particular product or brand. This is done holistically, by integrating the three variables into a single research model. Based on the research objectives, the relevant research questions in this study are:

1. How do product diversification, brand equity, and promotion strategy holistically influence purchase decisions.
2. How does promotion strategy act as a moderator in the relationship between product diversification and brand equity with purchase decisions.

Based on the results of the analysis of the problem formulation and problem identification, the relevant research objectives are as follows:

1. To conduct an analysis of the influence of product diversification, brand equity, and promotion strategy as a whole on purchase decisions.
2. Identifying variables that directly influence purchase decisions as a whole.

Purchase decision is a concept that describes how consumers make choices in their purchase process. In the purchase decision concept, it is understood that various factors, including consumer needs and wants, as well as psychological and social factors, play a role in influencing these purchase decisions. The variables of purchase decisions are explained in the theory (Theory of Reasoned Action or TRA) proposed by Martin Fishbein and Icek Ajzen in (Akther & Nur, 2022). The TRA theory explains that in the purchase decision process, two main factors that play a role are attitude and subjective norms. Attitude includes the assessment made by consumers towards a particular product or brand. Attitude can be formed through various factors, including

personal experience, the views of others, and advertising messages. Meanwhile, subjective norms reflect consumers' beliefs about the expectations that others have for their actions. Subjective norms can be influenced by the influence of family, friends, and the social environment. In addition, one other theory related to purchase decisions is the Theory of Planned Behavior (TPB) developed by Icek Ajzen in (Fielder, 2020) The TPB theory is a development of the TRA by adding the factor of behavioral control as a factor that influences purchase decisions. Behavioral control refers to the consumer's beliefs about their ability to carry out the desired action. This behavioral control can be formulated by various factors, such as skill level, resource availability, and existing barriers. Purchase decision analysis by companies can be an important tool for understanding consumer behavior and developing effective marketing strategies. By considering the factors that can influence purchase decisions, companies or businesses can increase the chances that consumers will choose to buy their products or services. The following are factors that can influence consumers to make purchase decisions, according to the main concepts of purchase decision theory: (1) Consumer needs and desires, (2) price perception, (3) product quality, (4) brand, (5) promotion, (6) distribution, (7) customer service, (8) psychological factors, (9) social factors. Consumer needs and wants are fundamental aspects that greatly influence purchase decisions. Consumers will shop for products or services with the aim of fulfilling their needs or wants. Considering the aspects that help companies to excel in competition, the research model that explains purchase decisions as the dependent variable and the independent variables consist of product diversification and brand equity, and promotion strategy as a moderating variable.

Diversification is a company's effort to develop its business by expanding its products or markets, either horizontally, vertically, or conglomerately. By offering a variety of products, companies can satisfy the diverse needs and wants of consumers by offering a variety of products or services. This can increase customer satisfaction and become a unique attraction for the company (Musdalifa et al., 2021). Product diversification is a business strategy that aims to develop products that are designed to meet unmet needs or desires. This can be done to meet the needs of diverse markets, increase the company's profitability, or reduce risk (Candra & Hidayatinnisa, 2023). The product diversification variable consists of 3 indicators, namely: (1) the number of products in the portfolio, (2) product variants, (3) customer response.

Brand equity is an asset owned by a brand, which can provide benefits for both the company and consumers (Ayuni & Wijaya, 2019). Brand equity is the value that a brand gives to a product, which can increase the product's appeal to consumers. This can enable companies to attract more customers or charge higher prices than competing brands (Marlius & Darma, 2023). The brand equity variable consists of 2 indicators, namely: (1) brand recognition level and (2) consumer knowledge level about the brand.

Promotion is the communication of information and messages from a company to consumers in order to persuade them to buy the products or services offered. This activity can be carried out in various ways, such as advertising, discounts, and sponsorships (Auliana & Ameliany, 2021). Promotion is a way for companies to communicate information, persuade, or remind consumers about the products or brands they offer. This activity can be carried out through various media and channels, such as (Nasution et al., 2022). The Promotion Strategy variable consists of 3 indicators, namely: (1) the use of social media platforms, (2) online advertising and (3) Consumer data analysis.

The research model consists of two independent variables, namely product diversification and brand equity. Promotion strategy serves as the moderating variable, while purchase decision is the dependent variable. After identifying and formulating the problem, the appropriate research model to be used is as follows.

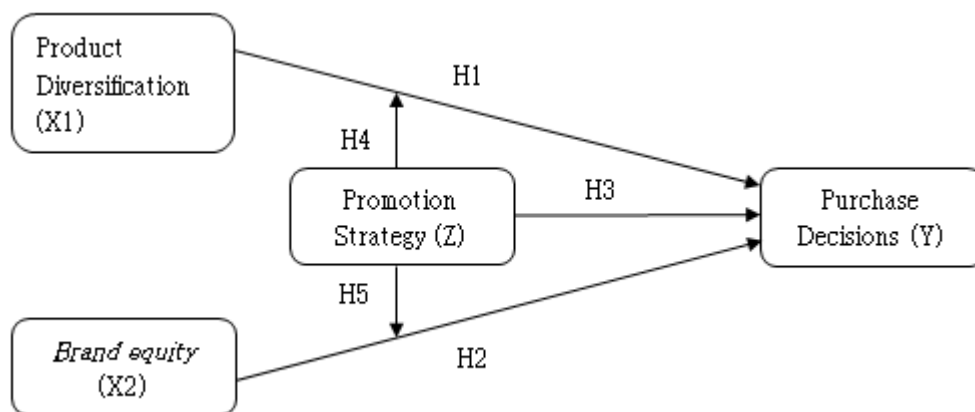


Figure 1. Research Model

### The Relationship Between Product Diversification and Purchase Decision

Product diversification is a strategy that companies use to develop new products or markets, or both, in order to increase growth, sales, profitability and flexibility (Dakhi et al., 2020). Product diversification can help companies meet the needs of diverse consumers, thus giving companies more choices to offer to consumers. In the research (Candra & Hidayatinnisa, 2023) there is a significant and positive influence of product diversification on purchase decisions. In the research (Rizki & Baskoro, 2022) product diversification has a significant and positive influence on purchase decisions. In the research (Suwondo & Hidayatinnisa, 2023) product diversification has a significant and positive influence on purchase decisions. The research results above have proven that product diversification is associated with purchase decisions. Product diversification can serve as an alternative to enhance purchase decisions among consumers of a product or brand. Consumers are more likely to be loyal to a brand if the company offers a variety of products, as they can find products that meet their needs within the company. Based on the previous research findings and arguments presented above, the first hypothesis in this study is established as follows: H1: Product Diversification has an impact on Purchase Decisions.

### The Relationship Between Brand Equity and Purchase Decisions

Brand equity is an asset owned by a brand, which can provide benefits for both the company and consumers. Brand equity is the value that a brand adds to a product, which can enhance its appeal to consumers. In the research (Ayuni & Wijaya, 2019) brand equity has a significant and positive influence on purchase decisions. In the research (Kurniawan et al., 2022) Brand equity has a significant and positive impact on purchase decisions. In the research (Marlius & Darma, 2023) There is a positive influence of brand equity on purchase decisions. The research results above have proven that brand equity is associated with purchase decisions. A good brand reputation and product quality that meets consumer expectations will enhance consumer trust in the brand. Consumer trust will increase the level of consumer purchase decisions towards the product. Based on the previous research results and arguments presented above, the second hypothesis in this study is established as follows: H2: Brand equity affects Purchase Decisions.

### The Relationship Between Promotion Strategy and Purchase Decisions

Promotion is the activity of conveying information and messages from a company to persuade consumers to purchase the products or services offered. This activity can influence consumers' perceptions of the products or services. In the research (Auliana & Ameliyany, 2021) promotion strategies have a significant and positive impact on purchase decisions. In the research (Nasution et al., 2022) promotion strategies have a significant and positive impact on purchase decisions. In the research (Tahara & Lelawati, 2022) promotion strategies have a significant and

positive impact on purchase decisions. By implementing appropriate promotion strategies such as offering discounts, advertising products in mass media, conducting public relations activities, and developing loyalty programs, companies can enhance consumer purchase decisions and achieve their marketing goals. Based on the previous research findings and arguments presented above, the third hypothesis in this study is established as follows: H3: Promotion Strategy affects Purchase Decisions.

### **The Relationship Between the Influence of Product Diversification and Promotion Strategy as Moderators on Purchase Decisions**

Promotion strategy can moderate between product diversification and purchase decisions. The right promotion strategy can strengthen the influence of product diversification on consumer purchase decisions. Product diversification and promotion strategies can complement each other to enhance consumer purchase decisions. Product diversification can assist companies in offering a more diverse range of products that meet consumer needs. The appropriate promotion strategy can reinforce the influence of product diversification on consumer purchase decisions. In the research (Candra & Hidayatinnisa, 2023). Promotion strategies can influence the positive and significant effect of product diversification on purchase decisions. Based on the arguments presented above, the fourth hypothesis in this study is established as follows: H4: The Influence of Product Diversification with Promotion Strategy as Moderator on Purchase Decisions.

### **The Relationship Between the Influence of Brand Equity and Promotion Strategy as Moderators on Purchase Decisions**

Promotion strategy can moderate between brand equity and purchase decisions. The right promotion strategy can strengthen the influence of brand equity on consumer purchase decisions. Brand equity and promotion strategies can complement each other to enhance consumer purchase decisions. High brand equity can increase brand awareness, purchase intention, and consumer satisfaction. The appropriate promotion strategy can reinforce the influence of brand equity on consumer purchase decisions. In the research (Nasution et al., 2022) Promotion strategies can influence the positive and significant effect of brand equity on purchase decisions. Based on the arguments presented above, the fifth hypothesis in this study is established as follows: H5: The Influence of Brand Equity with Promotion Strategy as Moderator on Purchase Decisions.

## **Methods**

This research design is developed to quantitatively examine the impact of product diversification, brand equity, and the role of promotional strategies as a moderator on consumer purchase decisions. The approach utilized combines deductive and inductive methods, where it begins with identifying and analyzing existing phenomena or issues, followed by hypothesis testing for verification. The study aims to determine the influence of product diversification, brand equity, and promotional strategies as a moderator on the purchase decision variable. This study examines the variables of product diversification (X1), brand equity (X2), promotion strategy as a moderator (Z), and purchase decisions (Y). The research subjects are consumers who have used a product from a specific brand and are involved in the purchase decision-making process.

The population consists of the community under study, while the sample comprises representative respondents under investigation. This research includes all individuals who have made a purchase transaction for a product from a specific brand, whether offline or online, with a population size that cannot be precisely identified. According to (Hair et al., 2019), the recommended minimum sample size is 10 times the total number of indicators. Generally, a sample size of over 100 is preferable, but sample sizes smaller than 100 can be acceptable

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depending on the research context. Since the population is unknown, the research sample size is determined by multiplying the number of indicators of the variables under study by 10. In general, a sample size larger than 100 is preferable; however, depending on the research background, a sample size of less than 100 can still be acceptable. Since the population is unknown, the sample size for the study is determined by calculating the number of indicators from the variables under study multiplied by 10. Since this research has 14 variable indicators, the required sample size is  $14 \times 10 = 140$ .

This research employs a specific procedure for selecting individuals who will be research respondents using the convenience sampling method, which prioritizes ease in finding relevant respondents for the study. In this method, purposive sampling is a sampling technique performed by selecting respondents deemed capable of providing relevant information regarding the research variables. With this approach, it is expected that the samples taken can represent most of the characteristics of the broader population.

This research utilizes a questionnaire to measure the quality of the variables under study. The questionnaire is constructed based on indicators from each researched variable.

**Table 1. Operational Table**

Variable	Indicator	Dimensions
Product Diversification (X1)	Product Variety	The quantity of products offered by the company within their portfolio.
	Product Assortment	The level of variation or diversity in types of products offered, such as size variations, color options, features, and functionalities.
	Market Responsiveness	The level of consumer response or acceptance towards newly introduced products by the company, including consumer satisfaction and loyalty towards these products.
Brand Equity (X2)	Brand Awareness	The extent to which consumers recognize and recall the brand when presented with its name or logo, indicating the brand's visibility and familiarity in the market.
	Brand Perception	Consumers' understanding and perception of the brand's qualities, values, reputation, and associations, reflecting the brand's image and identity.
	Brand Visibility	The degree to which consumers recognize the brand's visual elements, such as logos, symbols, and packaging, contributing to the brand's distinctiveness and memorability.
Promotion Strategy (Z)	Digital Marketing Channels	The ability of social media marketing efforts to reach and engage the target audience, generate leads, and drive conversions, reflecting the efficacy of digital marketing strategies.
	Advertising Channels	The success of online advertising campaigns in capturing attention, creating interest, and prompting action among consumers, indicating the effectiveness of digital advertising channels.
	Marketing Mix Alignment	The appropriateness and coherence of the promotion strategy with the overall marketing mix, including product, price, and distribution strategies, reflecting the alignment of promotional efforts with broader marketing objectives.
Purchase Decisions (Y)	Product Attributes	Consumer satisfaction with product quality, features, performance, and reliability, reflecting the perceived value and utility of the purchased product.
	Brand Image	Consumer perception of the brand's reputation, credibility, trustworthiness, and overall image, influencing purchase decisions based on brand association and loyalty.
	Pricing Strategy	Consumer sensitivity to pricing factors such as affordability, discounts, promotions, and perceived value for money, affecting purchase decisions based on price considerations.
	Behavioral Intentions	Consumer willingness and likelihood to purchase a product or service in the near future, indicating purchase decisions driven by immediate buying intentions and preferences.
	Information Processing	Consumer decision-making process, including information search, evaluation of alternatives, and final purchase selection, reflecting the cognitive and behavioral aspects of purchase decisions.

Respondents are asked to provide answers on a Likert scale ranging from 1 to 5, consisting of: (1) strongly disagree, (2) disagree, (3) neutral, (4) agree, (5) strongly agree. The purpose of using the Likert scale is to quantify the quality of the variables under study so they can be tested using statistics. This research employs Structural Equation Modeling (SEM) method with Smart PLS software to examine the relationships between research variables. Descriptive analysis is utilized for respondent characteristics and research variables. Validity and reliability tests are conducted using AVE and convergent methods to ensure the reliability and validity of the research instrument.

## Results

The analysis method used is quantitative analysis, testing hypotheses in the SEM research model. Data analysis is conducted with the assistance of smart PLS software. The data analysis stages consist of: **(1)** demographic statistics of respondents, including gender, with 83 males and 57 females. Respondents' ages are distributed as follows: 21-30 years old, 48 individuals; 31-40 years old, 44 individuals; 41-50 years old, 19 individuals; below 21 years old, 19 individuals; and above 50 years old, 10 individuals. Regarding education level, there are 62 individuals with a Bachelor's degree, 61 individuals with high school education, 11 individuals with a diploma, 5 individuals with a Master's degree, and 1 individual with elementary/junior high school education. Employment status includes 106 individuals employed in the private sector, 15 students, 13 self-employed individuals, and 6 homemakers. **(2)** Descriptive statistics of research variables to determine the minimum value, maximum value, and average value are as follows:

**Table 2. Descriptive Statistics of Research Data**

No	Variable	N	Minimum	Maximum	Mean	Standard Deviation
1	Product Diversification	140	1	5	4.086	0.720
2	Brand Equity	140	1	5	4.050	0.684
3	Promotion Strategy	140	1	5	3.994	0.729
4	Purchase Decisions	140	1	5	4.253	0.633

Source: Processed by the Author (2023)

The level of implementation of the product diversification variable ranges from a minimum of 1 to a maximum of 5, with an average of 4.086. The average value of 4.086 corresponds to an implementation of 82%, indicating a need for a further 18% improvement. The implementation level of brand equity ranges from a minimum of 1 to a maximum of 5, with an average of 4.050. The average value of 4.050 corresponds to an implementation of 81%, indicating a need for a further 19% improvement. The level of implementation of purchase decisions ranges from a minimum of 1 to a maximum of 5, with an average of 4.253. The average value of 4.253 corresponds to an implementation of 85%, indicating a need for a further 15% improvement. The implementation level of promotion strategies ranges from a minimum of 1 to a maximum of 5, with an average of 3.994. The average value of 3.994 corresponds to an implementation of 80%, indicating a need for a further 20% improvement. Partial Least Squares (PLS) analysis is an alternative Structural Equation Modeling (SEM) method based on variance. This method is used to test research hypotheses with the aim of identifying latent variables for prediction purposes. The advantage of this method is that it can be used with relatively small sample sizes and does not require specific assumptions. Smart PLS Version 3 software is used to estimate the structural equation with a variance-based approach. **(3)** Validity and reliability tests are conducted to assess the quality of questions in the questionnaire and the consistency of respondents in answering the questions. Testing is done with the outer model to determine the validity and reliability of the researched model. The influence of Average Variance Extracted (AVE) is used for testing analysis.

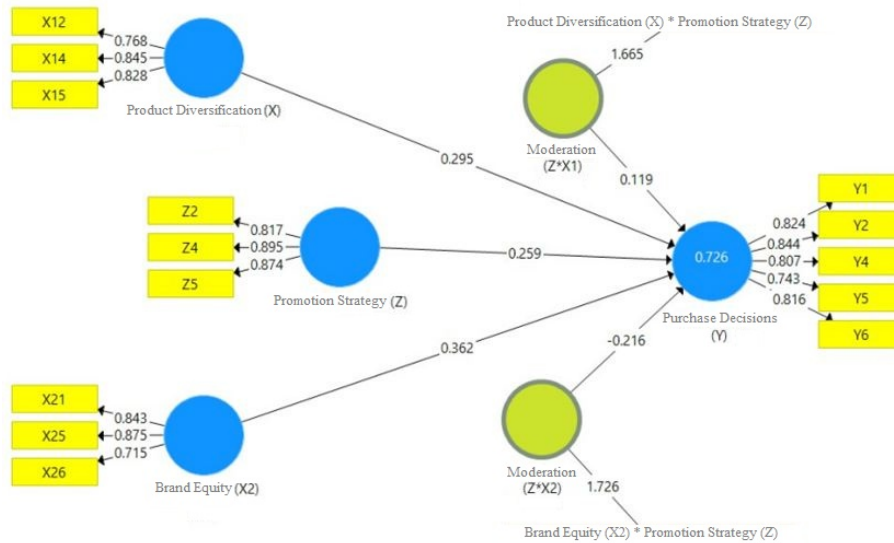


Figure 2. Outer Model Algorithm Results

In the convergent validity testing, the AVE value is used because this value is obtained from the output of convergent validity. Each construct of latent variable constructs will have a value above 0.5 (>0.5) because the expected AVE value in this research is more than 0.5 (>0.5). Below is an explanation diagram of the resulting AVE values:

Table 3. AVE Output Results

	Cronbach's Alpha	rho_A	Composite Reability	Average Variance Extracted (AVE)
Product Diversification	0.745	0.751	0.855	0.662
Brand Equity	0.742	0.758	0.854	0.662
Promotion Strategy	0.827	0.828	0.897	0.744
Purchase Decisions	0.867	0.874	0.903	0.652

Source: Processed by the Author (2023)

(4) The determination coefficient (R Square) test is conducted to assess the ability of independent variables as well as the mediating effects of moderating variables and their influence on the dependent variable.

Table 4. Coefficient Determination (R Square)

	R Square	R Square Adjusted
Purchase Decisions	0,726	0.716

Source: Processed by the Author (2023)

Based on the analysis results, all independent variables collectively have a significant influence on purchase decisions. This influence amounts to 72.6%, while the remaining 27.4% is influenced by other unexamined factors. (5) Hypothesis testing with standard measurement criteria is accepted if the T Statistic value is greater than 1.96 and the P Value is less than 0.05, then the hypothesis is considered accepted. Here are the results of the Path Coefficients for direct and indirect effects:



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**Table 5. Path Coefficients**

	<i>Original Sample</i>	<i>Sample Mean</i>	<i>Stabdard Deviation</i>	<i>T-statistic</i>	<i>P-values</i>	<b>Keterangan</b>
Product Diversification (X1) -> Purchase Decisions (Y)	0.295	0.302	0.075	3.958	0.000	Signifikan
Brand Equity (X2) -> Purchase Decisions (Y)	0.362	0.362	0.072	5.046	0.000	Signifikan
Promotion Strategy (Z) -> Purchase Decisions (Y)	0.259	0.253	0.092	2.796	0.005	Signifikan

Source: Processed by the Author (2023)

Based on the table above, it is evident that there are five hypotheses that have a direct influence, with P Value results below 0.05 and T Statistics above 1.96. All hypotheses are accepted because they have T-statistic values > 1.96 and P values < 0.05. The T-statistic value of product diversification on purchase decisions is 3.958 > T-table 1.655, indicating that product diversification significantly and positively affects purchase decisions. The T-statistic value of brand equity on purchase decisions is 5.046 > T-table 1.655, indicating that brand equity significantly and positively influences purchase decisions. However, the sample mean result of -0.193 on the promotion strategy variable moderating brand equity on purchase decisions shows that the relationship between promotion strategy and purchase decisions is negative. An explanation for this negative mean result can be based on several factors such as inappropriate promotion strategies and strong brand equity, which may make consumers less influenced by promotion strategies. The T-statistic value of promotion strategy on purchase decisions is 2.796 > T-table 1.655, indicating that promotion strategy significantly and positively influences purchase decisions.

**Table 6. Path Coefficients Moderation**

	<i>Original Sample</i>	<i>Sample Mean</i>	<i>Stabdard Deviation</i>	<i>T-statistic</i>	<i>P-values</i>	<b>Keterangan</b>
Moderation ((X1) Product Diversification * (Z) Promotion Strategy) -> Purchase Decisions (Y)	0.119	0.116	0.056	2.110	0.035	Signifikan
Moderation ((X2) Brand Equity * (Z) Promotion Strategy) -> Purchase Decisions (Y)	-0.216	-0.193	0.062	3.470	0.001	Signifikan

The table above shows T-statistic value of promotion strategy moderating product diversification on purchase decisions is 2.110 > T-table 1.655, showing that promotion strategy moderates the influence of product diversification on purchase decisions. The T-statistic value of promotion strategy moderating brand equity on purchase decisions is 3.470 > T-table 1.655, indicating that promotion strategy moderates the role of brand equity in purchase decisions. (6) The regression equation to examine the coefficient magnitude of each independent variable as well as the mediating effects on the dependent variable. The regression equation model can be seen in Table 6. Based on this table, the regression equation obtained is as follows:

*Purchase Decisions*

$$= 0.302 (\text{Product Diversification}) + 0.371 (\text{Brand Equity}) + 0.253 (\text{Promotion Strategy}) + 0.116 (\text{Product Diversification} * \text{Promotion Strategy})$$

Based on the equation, it can be concluded that:

1. The more products a company offers, the higher the consumer satisfaction. This means that an increase in Product Diversification contributes positively to an increase in Purchase Decisions.
2. The stronger the company's brand equity, the higher the consumer satisfaction. This means that an increase in Brand Equity contributes positively to an increase in Purchase Decisions.

3. The more affordable the product price, the higher the consumer satisfaction. This means that an increase in Promotion Strategy contributes positively to an increase in Purchase Decisions.
4. The influence of product diversification on purchase decisions will be stronger when promotion strategy is high. The regression coefficient for the moderating variable between product diversification and promotion strategy is 0.116. This value indicates that the interaction between product diversification and promotion strategy has a positive effect on purchase decisions. This means that the effect of product diversification on purchase decisions will be stronger when promotion strategy is high.
5. The influence of brand equity on purchase decisions will weaken when product diversification is high. The regression coefficient for the moderating variable between brand equity and promotion strategy is -0.193. This value indicates that the interaction between brand equity and promotion strategy has a negative effect on purchase decisions. This means that the effect of brand equity on purchase decisions will weaken when product diversification is high.

The analysis of respondents' answers is shown in the frequency distribution table below:

**Table 7. Frequency Distribution**

Variable	Indicator	Mean
Product Diversification (X1)	Product Variety	2.892
	Product Assortment	4.050
	Market Responsiveness	4.295
Brand Equity (X2)	Brand Awareness	4.144
	Brand Perception	4.223
	Brand Visibility	4.014
Promotion Strategy (Z)	Digital Marketing Channels	4.252
	Advertising Channels	4.288
	Marketing Mix Alignment	4.245
Purchase Decisions (Y)	Product Attributes	4.374
	Brand Image	4.309
	Pricing Strategy	4.043
	Behavioral Intentions	4.036
	Information Processing	4.036

Source: Processed by the Author (2023)

The first hypothesis in this study is accepted. Product diversification has a positive influence on purchase decisions with a P Value of  $0.000 < 0.05$ . Product diversification is implemented through three items: product category types, various product variants, and new products. The survey results on these three implementations indicate that consumers are more satisfied with new products released by the company compared to different product category types. This is evidenced by the highest mean value on the new product item (4.295) and the lowest mean value on the product category type item (3.892). These research findings consistently support and complement previous studies conducted by (Dakhi et al., 2020); (Rizki & Baskoro, 2022); (Suwondo & Hidayatinnisa, 2023); (Candra & Hidayatinnisa, 2023).

The second hypothesis in this study is accepted. Brand equity has a positive influence on purchase decisions with a P Value of  $0.000 < 0.05$ . Brand equity is implemented through three items: brand awareness, visual brand awareness, and brand engagement. Based on the survey on these three implementations, consumers are more satisfied with the visual brand awareness of the company compared to brand awareness and brand engagement. This is evidenced by the highest mean value on the visual brand awareness item (4.223) and the lowest mean value on the brand engagement item (4.014). These research findings consistently support and complement previous studies conducted by (Ayuni & Wijaya, 2019); (Kurniawan et al., 2022); (Marlius & Darma, 2023).

The third hypothesis in this study is accepted. Promotion strategy has a positive influence on purchase decisions with a P Value of  $0.005 < 0.05$ . Promotion strategy is implemented through three items: effectiveness of social media promotion, effectiveness of online advertising, and suitability of promotion strategy. Based on the survey on these three implementations, consumers are more satisfied with the effectiveness of social media promotion by the company compared to the effectiveness of online advertising and the suitability of promotion strategy. This is evidenced by the highest mean value on the effectiveness of social media promotion item (4.043) and the lowest mean value on the effectiveness of online advertising and suitability of promotion strategy item (4.036). These research findings consistently support and complement previous studies conducted by (Auliana & Ameliany, 2021); (Nasution et al., 2022); (Melisa et al., 2020); (Tahara & Lelawati, 2022); (Wiyata & Kusnara, 2022).

The fourth hypothesis in this study is accepted. Promotion strategy moderates the positive influence of product diversification on purchase decisions with a P Value of  $0.035 < 0.05$ . The appropriate promotion strategy can strengthen the impact of product diversification on consumer purchase decisions.

The fifth hypothesis in this study is accepted. Promotion strategy moderates the positive influence of brand equity on purchase decisions with a P Value of  $0.001 < 0.05$ . Brand equity and promotion strategy can mutually reinforce to enhance consumer purchase decisions. High brand equity can increase brand awareness, purchase intention, and consumer satisfaction. The right promotion strategy can strengthen the influence of brand equity on consumer purchase decisions.

## Conclusion

This study constitutes a significant contribution to deepening our understanding of the factors influencing consumer purchase decisions, particularly in the context of product diversification, brand equity, and promotional strategies. The findings affirm that both variables, product diversification and brand equity, play highly significant roles in shaping consumer preferences and purchasing behavior. Product diversification offers companies the opportunity to meet the diverse needs and desires of consumers by offering a range of products, while brand equity builds trust and loyalty among consumers toward a particular brand. Furthermore, promotional strategies were also found to play a crucial role, not only as a tool to communicate information about products to consumers but also as a moderating factor that strengthens the positive influence of product diversification on purchase decisions.

However, this study is not without limitations, particularly in terms of a limited sample size and a narrow focus on consumers in Indonesia. While these findings provide valuable insights, the generalization of the research results may be limited to specific populations and contexts. Therefore, future research is expected to broaden the sample scope to encompass various consumer groups and different market contexts. Additionally, further research could explore other factors that may influence purchase decisions, such as cultural, social, and psychological factors. By doing so, more comprehensive research can provide a deeper understanding of the complex dynamics behind consumer purchasing behavior and enable the development of more effective and sustainable marketing strategies for companies.

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