
THE EFFECT OF PERCEIVED CONGRUENCE INNOVATION ON PURCHASE DECISION

Efa Wakhidatus Solikhah¹, Indah Fatmawati², Sekar Nugraheni³

¹Universitas Ahmad Dahlan, Indonesia

²Universitas Muhammadiyah Yogyakarta, Indonesia

³University of Vienna, Austria

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ABSTRACT

Every company wants to increase product sales every year. Various methods are used to increase consumer purchasing decisions. One effective way that can be done by a company is product innovation. Product innovation is the process of applying ideas and technology to produce new products that can provide greater benefits for the company. The increasingly tight competition in selling a product, the company is also required to be more creative. One breakthrough that can be done by the company is perceived congruence innovation. Perceived congruence innovation is a product innovation based on consumer self-image. The purpose of this study is to determine the effect of perceived congruence innovation on purchasing decisions. The sample of this study was 120 consumers who bought goods online and offline. This study is quantitative explanatory with data collection using questionnaires and analysis techniques using SPSS. This paper contributes to providing views and insights into the relationship between perceived congruence innovation variables and purchase decisions.

Corresponding Author:

Efa Wakhidatus Solikhah, Management Department, Universitas Ahmad Dahlan, Yogyakarta, Indonesia.
Email: efawakhidatus@gmail.com

1. INTRODUCTION

Businesses within various industries are growing rapidly, with patterns of competition showing a tendency to get tougher. Companies will compete hard to gain competitive advantage. Self congruity is a value of the individual, so that individual consumption behavior will be directed to protect and improve self-concept through purchases, which shows the use of products as symbols that communicate symbolic meanings to others (Liu et al. 2012). A consumer will show supportive and favorable feelings towards a brand, when the brand's personality matches his self-image. These conditions will encourage consumers to prefer to choose a brand that shows the image and personality in accordance with the self-image of the consumer concerned.

Digitalization has made it easier for business people to encourage the formation of consumer buying behavior due to the availability of effective and efficient means of conveying information to use. These facilities can be in the form of various types of internet-based media, which can become intermediaries for messages or information about a product that consumers need to make a purchase decision (Wang et al. 2019).

Purchase decisions are the result of the decision-making process that consumers go through, which generally begins with the information search stage. then proceed with the analysis stage of the information, consideration of several existing alternatives, and ending with the determination of an alternative that best suits the needs or desires of consumers (Viridi, Kalro, and Sharma 2020). Purchase decision is the end point of the consumer decision-making process, which can be influenced by various factors (SOLIKHAH et al., 2022).

One of the factors that can influence the purchase decision is innovation. According to (Bharadwaj 2018), innovation is the process of applying ideas and technology to produce new products that can provide greater profits to the company. Innovation is a determinant of the company's success in beating its competitors and seizing the market. Without innovation, the products produced by the company will be left behind from competitors' products and will no longer be able to meet market demands that are constantly changing (Qi et al. 2020).

Innovations that are carried out besides being able to produce new products can also increase utility, add features, or improve the display of products to be more in line with the wishes and needs of consumers. This is one aspect that is considered by consumers in making purchasing decisions. Consumers who feel that a product is able to meet their needs will feel a close attachment to the product. According to (S, Mitra, and Sahoo 2015) Perceived congruence innovation itself is defined as innovation that is perceived by consumers according to their self-image. This paper is expected to contribute to understanding the role of Perceived innovation congruence on purchasing decisions.

2. LITERATURE REVIEW

Self-image fit has been used interchangeably in the marketing literature to denote the fit between two variables. (M.Joseph Sirgy 1985) and (M.J. Sirgy et al. 1997) explain self-conformance theory as part of self-image conformity with product image, brand image, or store image. This occurs as an interaction between the product and its users. Products, suppliers and services are assumed to have a personal image. Personal image can be described in terms of a set of attributes within a person such as friendly, modern, youthful, and traditional. Attributes in personal image related to products that are distinguished from functional or utilitarian attributes are product descriptions, and in terms of tangible costs and benefits such as quality, price, and performance (M.Joseph Sirgy 1985). In particular, the personal image of a product reflects the stereotyped image of the general users of the product and is determined by a number of factors such as advertising, price, and other marketing and psychological relationships.

The consumer's perception of him will influence his behavior as a consumer. How will consumers' perceptions of various products and brands be influenced by their perceptions of themselves? Consumption activity is closely related to self-concept. The Self Congruence Model suggests that consumers will use products that have appropriate attributes or can support their self-concept. The theory of product image conformity with the concept of identity (congruity theory) states that the more appropriate the image of a product/brand is, the more consumers will like the product (Plewa and Palmer 2014). Conformity may occur for several dimensions of self-concept. A product or brand may not be in accordance with the actual self-concept, but is seen as having conformity with the ideal self-concept. The symbolic meaning of a product, brand, or shop is often associated with a stereotyped image associated with the personal image of the product user (M.Joseph Sirgy 1985) (M. J. Sirgy et al. 1997) Self-image involves self-perception along with image dimensions associated with the product. Theoretically, the effect of conformity self-image on consumer behavior has been explained by the theory of self-congruence. This theory proposes that consumer behavior is partly determined by conformity resulting from psychological comparisons involving product image and consumer self-concept (eg, actual self-image, ideal self-image, social self-image). This psychological comparison can be categorized as high or low self-congruence. High

self-congruence is experienced when consumers feel the product image matches their self-image, and vice versa. Self-congruence influences consumer behavior through self-concept motives such as the need for self-consistency and self-esteem. According to (Becker-Olsen and Hill 2006) Perceived congruence is compatibility between companies and social issues, which can be obtained through missions, products, markets, technology, attributes, brand concepts, or other forms of key associations.

Product innovation is one of the main keys to product success in attracting consumer interest. This is based on the basic concept of innovation, namely as the application of various new technologies to increase product utility and appearance, so as to meet the needs and desires of consumers who tend to continue to experience changes from time to time (Nørskov, Chrysochou, and Milenkova 2015).

Innovation is referred to as the driving force of increased competition and economic activity in the business environment. The innovations made are not only aimed at making the product look better with a variety of new features and benefits offered. But also as a tool to explore potential new market shares, accelerate revenue growth, increase market competition, and primarily as a safeguard for business continuity (Marín-García, Gil-Saura, and Ruíz-Molina 2019).

The importance of innovation is described by olch (Wahyono 2019) by stating that innovation is a basic requirement for every business because of its positive impact on creating competitiveness, and is clear evidence of ability to face increasingly fierce competition. Innovation attached to the various products produced is basically the key to business success in remaining in a competitive business environment. Thus, business entities that do not seek to innovate have a greater business risk than other entities that are constantly innovating.

According to (Bharadwaj 2018), innovation is the main thing that determines the financial success of every company. Innovation refers to a process of translating new ideas into a commercial value proposition for consumers. The results and innovations are in the form of new products or old products with new features and greater usability, which generally become a new main source of income for the company.

Perceived Innovation means "Innovation that is felt" more towards innovation that is felt or received by employees as an influence from the environment or climate within the company which can stimulate a supportive work environment. This makes a receiver's perception of the characteristics of innovation that can affect the number of adoptions. Like cosmetics, innovation is only found on a surface by the eyes of mere people. And it makes the perception of people who see and can influence their behavior. According to Ostland (1974) Perceived innovation / perception of innovation has six attributes, namely perceived risk, complexity, compatibility, triability, observability, and relative advantage so that Perceived innovation is able to describe the extent to which consumers perceive products as having provided innovation.

Perceived congruence innovation itself is defined as innovation that is perceived by consumers according to their self-image. Perception is a process that consumers must go through to select, organize, interpret stimuli into a coherent picture. For marketers, it is an opportunity to appreciate that the brands being marketed are of high quality and the products are experiencing functional developments in the hope that the products can still maintain the brand image as a symbol for the consumers who use it.

Each transaction can be realized if the consumer makes a decision to make a purchase of a product (purchase decision), whether in the form of goods or services. Therefore, sellers or producers try hard to be able to push consumers to the point of making a decision to buy after going through a fairly long preliminary process. According to (Hanaysha 2018), purchase decision is a stage that consumers reach after deploying various resources they have to obtain information about products, process them to obtain points of consideration, and evaluate several other product alternatives.

Purchasing decision making is a cycle that can vary when the consumer goes through it. The experience obtained by one consumer is sometimes not the same as that obtained by other consumers. Therefore, those who become sellers or marketers need to specifically emphasize the entire process that consumers go through, not just at the point of a purchase decision. Thus it can be seen that achieving the purchase decision phase requires great effort not only from the seller, but also from the consumer (Hanaysha 2018).

According to (Salem 2018), purchase decision is a process that involves the cognitive aspects of

consumers in identifying needs or wants, generating certain options or considerations, and determining the specific product or brand to be purchased. Purchase decisions cover various aspects, including aspects of the decision on the selected seller to buy the product, product brand, purchase model, time of purchase, amount of money to be spent, and payment method to be used. Apart from these aspects, there are also other aspects that are part of the purchase decision, which may vary from one consumer to another. This is based on the various purchase decision-making cycles in providing experiences to consumers.

Purchase decisions between consumers can vary due to different processing speeds. (Kaufmann and Gaeckler 2015) stated that the speed of consumers in going through various activities in the process of achieving a purchase decision greatly influences the decisions taken by consumers. Literally, dispersed speed refers to the length of time it takes consumers to carry out initial identification of the things they need or want up to the stage of determining an alternative that is considered the most appropriate among the several alternatives that have been found.

Purchase decision as the end point of a cycle that consumers go through. According to (Song and Yoo 2016). There is a pre-purchase phase that precedes the purchase decision, in which the consumer begins to search for information based on awareness of a particular need or desire. Furthermore, when consumers succeed in obtaining sufficient information, consumers will be involved in evaluation activities of the various alternatives that have been found. The results obtained from the evaluation of these alternatives are in the form of a decision to determine one of the alternatives that is considered the most appropriate and able to meet consumer expectations.

Purchase decision is a phase in consumer buying behavior that lies between consumer needs and the act of buying a product. When the consumer is in the Purchase decision phase, it means that the consumer has gone through several evaluation processes, namely an evaluation of the needs and product alternatives to be purchased. The results obtained from this evaluation serve as a basis for consumers to make decisions to purchase a product. Furthermore, these decisions can be realized in the form of actions to buy products that are actually carried out by consumers (Voyer and Ranaweera 2015)

In previous research according to (Nørskov, Chrysochou, and Milenkova 2015) product innovation is one of the main keys to product success in attracting consumer interest. This is based on the basic concept of innovation, namely as the application of various new technologies to increase the utility and appearance of products, so as to meet the needs and desires of consumers who tend to continue to change from time to time. So consumers receive comments on products and services from sources that are trustworthy, clear enough information accompanied by strong reasons with updated innovations that will be able to improve purchasing decisions.

According to Myers & Marquis in (Kotler, Philip & Armstrong, 2016) product innovation is a combination of various processes that influence each other. So innovation is not the concept of a new idea, new invention or also not a development from a new market, but innovation is an illustration of all of these processes. The higher the product innovation carried out by the company, the higher the company's performance through increasing purchasing decisions. Purchasing decision is the buyer's decision about which brand to buy, (Kotler, Philip & Armstrong, 2012). This is also supported by research (S, Mitra, and Sahoo 2015) showing that product innovation has a positive and significant effect on purchasing decisions. (Rahimnia and Molavi 2021) shows that the variables of product innovation, product quality and brand image simultaneously have a positive and significant effect on purchasing decisions. From the results of the research above, the following hypothesis can be drawn:

H₀ : Perceived congruence innovation has a positive and significant effect on the Purchase decision

H₁ : Perceived congruence innovation has a negative and not significant effect on the Purchase decision

In this way, the research model is known:

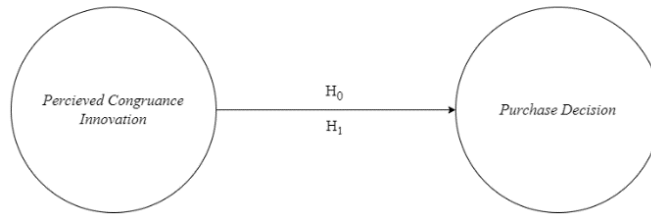


Figure 1. Research Model

3. METHODS

This type of research is explanative quantitative. The objects in this study are consumptive actors who buy goods offline and online for their daily needs. The sample in this study was selected using a purposive sampling technique. Determination of the sample in this study refers to the opinion (Hair, J. F., Black, W. C., Babin, B. J. 2018) which states that the number of samples must be fulfilled if using SPSS application. The sample in this study was 159 respondents, and 120 respondents were obtained who filled out completely. The types and sources of data used in this study are primary data. The primary data obtained in this study was in the form of questionnaire results which were distributed to the respondents who were the research sample. The data analysis used was SPSS through the help of the IBM SPSS Statistics 25 program.

Table 1. Operational Definition of Variables

Variable	Operational definition	Indicator
<i>Perceived Congruence Innovation</i>	Perceived congruence innovation is an innovation perceived by consumers in accordance with their self-image. so that it can meet the needs and desires of consumers who tend to adjust to their self-image.	<ol style="list-style-type: none"> 1. Products according to consumer tastes 2. Products according to the needs that consumers expect 3. The product is easy for consumers to use 4. The product has advantages compared to other products
<i>Purchase Decision</i>	Purchasing decision is a stage that consumers reach after mobilizing various resources to obtain information about products, process them to obtain points of consideration, and evaluate several other product alternatives. (Source: (Hanaysha 2018))	<ol style="list-style-type: none"> 1. Accuracy in buying a product 2. Habits in buying products. 3. Speed in buying a product. 4. The stability of a product

4. RESULT AND DISCUSSION

Before being analyzed, validity and reliability tests were first carried out on the distribution of questionnaires. The results of the validity test show that all items are valid because they have a Loading Factor value > 0.5 so that all items will be used in the analyzed model.

Table 2. Final Validity Test Results

Variable	Items	Loading Factor	Explanation
<i>Perceived Congruence Innovation (PCI)</i>	PCI1	0.738	Valid
	PCI2	0.863	Valid
	PCI3	0.828	Valid
	PCI4	0.843	Valid
<i>Purchase Decision (PD)</i>	PD1	0.850	Valid
	PD2	0.891	Valid
	PD3	0.828	Valid
	PD4	0.883	Valid
Acceptable Limits		> 0.5	Accepted

In the validation test, the results of the loading factor were obtained from Perceived Congruence Innovation (PCI) with the indicator denoted by the PCI1 item which was 0.738, the PCI2 item which was 0.863, the PCI3 which was 0.828, and the PCI4 which was 0.843. In addition, the Purchase Decision (PD) variable gets the results of the loading factor of each indicator denoted by the PD1 item which is equal to 0.850, the PD2 item which is equal to 0.891, the PD3 item which is equal to 0.828 and the PD4 which is equal to 0.883.

The validation test shows valid results because the loading factor values obtained from PCI and PD have an overall value of > 0.5 so that the data can be accepted, so the data can be processed further.

Table 3. Reliability Test Results

Variable	Items	Construct Reliability	AVE
<i>Perceived Congruence Innovation (PCI)</i>	PCI1	0.8899	0.6699
	PCI2		
	PCI3		
	PCI4		
<i>Purchase Decision (PD)</i>	PD1	0.9121	0.7454
	PD2		
	PD3		
	PD4		

In the reliability test, the results of construct reliability from the Perceived Congruence Innovation (PCI) variable with indicators denoted by PCI1, PCI2, PCI3 and PCI4 are 0.8899 and the value of Average Variance Extracted (AVE) is 0.6699. Furthermore, the values of construct reliability and Average Variance Extracted (AVE) from Purchase Decision (PD) were also obtained with indicators denoted by PD1, PD2, PD4, and PD3, namely 0.9121 and 0.7454.

The results of the reliability test on the research questionnaire showed reliable results, because the construct reliability values were all ≥ 0.70 and $AVE \geq 0.50$ so that the data obtained could be further processed for model testing.

4.1. Testing Research Model Path Analysis

The decision to determine whether to accept or reject the hypothesis is based on the resulting significance probability, the significance level is $\alpha = 5\%$ (0.05). The findings are presented in the following path coefficient table:

The results of the significance test in Table 4 show that there is a significant direct influence of the Perceived Congruence Innovation (PCI) variable on the Purchase Decision with a p-value or significance level of (0.000 < 0.05) then H_0 is accepted.

Table 4. Path Model Significance Test Results

Variable	Regression coefficient	P	Explanation
PD <---PCI	1.016	0.00	Significant

4.2. Discussion

4.2.1. Perceived Congruence Innovation has a positive and significant effect on Purchase Decision

The results showed that hypothesis 0 was accepted, namely Perceived Congruence Innovation had a positive and significant effect on Purchase Decision. Perceived Congruence Innovation is an innovation perceived by consumers according to their self-image. so that it can meet the needs and desires of consumers who tend to adjust to their self-image. Consumers will choose products that match their image consistently. This can be shown by expressing their self-concept, how they want to be seen in a social environment. Meanwhile, a product has a characteristic that is able to create innovation for its users. This is then used by consumers to measure how suitable they are with the product.

With the alignment or compatibility between the consumer's self-image and the innovation of a product, when making a purchase decision, consumers will place their trust in the company and the product. This is because a product company positively appreciates the wishes of consumers. Therefore, when innovations carried out by a company can attract the attention of consumers and these products can express the need to create an image of themselves, then that's where consumer purchasing decisions emerge.

In this hypothesis, it is in line with research results (Norskov, Chrysochou, & Milenkova, 2015) which states that Perceived Congruence Innovation (PCI) has a positive direct influence on consumer purchase decisions and is supported by (S, Mitra, and Sahoo 2015) which Perceived Congruence Innovation (PCI) is becoming an important marketing tool. Perceived Congruence Innovation (PCI) is very influential because it takes into account the self-image of consumers so that it attracts a lot of consumers' interest so that it enlarges the purchase decision.

5. CONCLUSION

Based on the research results, it can be concluded that there is a significant direct influence of Perceived Congruence Innovation (PCI) on Purchase Decisions. This means that consumer purchasing decisions can increase with the existence of innovations that are in accordance with the consumer's self-image.

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