

ACKNOWLEDGEMENT

Praise and thanksgiving are offered to God Almighty, Jesus Christ for the many blessings bestowed upon us by Him. Without His endless blessings, guidance, and love, the writer would not be able to complete this final project. Final project entitled "**FACTORS THAT INFLUENCED PURCHASE DECISION MEDIATED BY CUSTOMER TRUST OF LUXURY FASHION BRAND IN INDONESIA**" is one of the requirements to acquire a Bachelor's degree in Management Economics. Furthermore, this final project aids in the process of learning and broadens one's scope of knowledge.

Thanks to my supervisor, Dr. Innocentius Bernarto, ST, MM, M.Si. for his kind and patient sharing of his expertise and advice during the writing of this work. The author could not have finished this work on time without his encouragement and kindness. The author understands that this final product would not be possible without the help, encouragement, and prayers of many people. In order to properly show gratitude, the author would like to thank everyone who has contributed to the completion of this final project, in particular to the following people:

1. Dra. Gracia Shinta, S. Ugut, M.B.A., Ph.D. as the Dean of Faculty of Economics and Business.
2. Ms. Vina Christina Nugroho, S.E., M.M. as the Head of Management Department.

3. Ms. Jacquelinnda Sandra Sembel, M.M. as the Head of International Business Concentration.
4. Dr. Innocentius Bernarto, ST, MM, M.Si. as my thesis paper supervisor.
5. Mr. Danet Arya Patria, S.E., M.B.A. as my academic supervisor.
6. All lecturers at Universitas Pelita Harapan who have taught and shared their expertise with students over the study time.
7. All employees of the Business School who have helped the author in administrative activities.
8. My beloved family who has always been there for me, providing unending prayers, support, and encouragement.
9. My big family that has always been there for me with prayers, support and incentives that don't stop makes it possible to finish my final project.
10. My thesis mate, Christopher Owen and Renaldy Setiady, who are always willing to assist and support each other during good times and bad.
11. To my beloved friends: Calista Amanda Linardi, Clarissa Surjadi, Evelyn Elicia, Gloria Herliana, Regina Emanuela Arvy Siregar, Shevilla Charmay, Valencia, Veren Aeriela. Who have been my university buddies for the past three years and have been my best source of fun, when it's hard or happy we spend time together and also my traveling companions.
12. To my Senior High School friends. Thank you for being a true friend, for the wild times, for the encouragement, for the support, and for being there for me when things became tough on campus. I really appreciate all you have done for me.

Finally, the author acknowledges the study's shortcomings. Ideas and criticism are greatly appreciated to help make this paper even better. The author hopes that this research paper will be valuable to the reader in some way.

Jakarta, 2 December 2021

Author



TABLE OF CONTENTS

COVER	
FINAL ASSIGNMENT STATEMENT AND UPLOAD AGREEMENT	
THESIS DEFENSE COMMITTEE	
ABSTRACT	v
ACKNOWLEDGEMENT.....	vi
TABLE OF CONTENTS.....	ix
LIST OF TABLES	xi
LIST OF FIGURES	xii
LIST OF APPENDICES	xiii
CHAPTER I INTRODUCTION.....	1
1.1 Research Background	1
1.2 Research Question.....	8
1.3 Research Objective.....	9
1.4 Research Contribution.....	10
1.5 Research Outline	11
CHAPTER II LITERATURE REVIEW	13
2.1 Product Quality	13
2.2 Perceived Price.....	14
2.3 Brand Image	15
2.4 Purchase Decision	16
2.5 Customer Trust.....	17
2.5.1 Relationship Between Product Quality and Purchase Decision.....	18
2.5.2 Relationship Between Perceived Price and Purchase Decision	19
2.5.3 Relationship Between Brand Image and Purchase Decision	20
2.5.4 Relationship Between Brand Image and Consumer Trust	21
2.5.5 Relationship Between Consumer Trust and Purchase Decision	23
2.5.6 Relationship Between Product Quality and Customer Trust	23
2.5.7 Relationship Between Perceived Price and Consumer Trust.....	25
2.5.8 Consumer Trust mediates relationship between Product Quality and Purchase Decision	26
2.5.9 Consumer Trust mediates relationship between Brand Image and Purchase Decision	27
2.5.10 Consumer Trust mediates relationship between Perceived Price and Purchase Decision	28
2.5.11 Conceptual Model	30
CHAPTER III RESEARCH METHODOLOGY	31
3.1 Research Objects	31
3.2 Unit of Analysis	31
3.3 Research Type.....	32

3.4	Conceptual and Operational Definition	33
3.5	Population and Sampling	37
3.5.1	Determination of Number of Samples	38
3.5.2	Sampling Method	39
3.6	Data Collection Method	39
3.7	Methods in Data Analysis	41
3.8	Research Instrument Testing.....	42
3.8.1	Validity.....	42
3.8.2	Reliability.....	43
3.8.3	Preliminary Instrument Test Results.....	44
3.8.3.1	Validity and Reliability Test.....	44
CHAPTER IV DATA ANALYSIS AND DISCUSSION		48
4.1	Analysis Data	48
4.1.1	Gender	48
4.1.2	Age	49
4.1.3	Domicile.....	49
4.1.4	Monthly Income	50
4.2	Description of Research Construct.....	51
4.3	Actual Test Results	55
4.3.1	Actual Test Results with Measurement Model	55
4.3.1.1	Validity and Reliability Actual Test	56
4.3.2	Actual Test Results with Structural Model	58
4.4	Discussion	64
CHAPTER V CONCLUSION & RECOMMENDATION		71
5.1	Conclusions	71
5.2	Managerial Implications	73
5.3	Limitation and Recommendation for Future Research.....	74
REFERENCE		76
APPENDICES		

LIST OF TABLES

Table 3.1	Conceptual Definition and Operational Definition	33
Table 3.2	Outer Loading Pre-Test.....	45
Table 3.3	Composite Reliability and Average Variance Extracted.....	46
Table 4.1	Respondent Profile by Gender	49
Table 4.2	Respondent Profile by Age	49
Table 4.3	Respondent Profile by Domicile	50
Table 4.4	Respondent Profile by Monthly Income	51
Table 4.5	Answer Category.....	51
Table 4.6	Product Quality Research Construct Description	52
Table 4.7	Brand Image Research Construct Description	52
Table 4.8	Price Research Construct Description.....	53
Table 4.9	Customer Trust Research Construct Description	54
Table 4.10	Purchase Decision Research Construct Description	54
Table 4.11	Outer Loading Results.....	56
Table 4.12	Results of Average Variance Extracted (AVE) and Composite Reliability	57
Table 4.13	Results of Discriminant Validity Fornell-Larcker	57
Table 4.14	Variance Inflation Factor (VIF) Result	58
Table 4.15	Actual Test Results with R2.....	59
Table 4.16	Hypothesis Testing Result Direct Effect.....	59
Table 4.17	Hypothesis Testing Result Indirect Effect	60

LIST OF FIGURES

Figure 1.1 Indonesia's Creative Economy	2
Figure 1.2 Revenue Luxury Goods Market in Indonesia (in million US\$)	4
Figure 1.3 The 15 Most Popular Luxury Brands Online In 2021	6
Figure 1.4 Revenue Luxury Fashion Market in Indonesia (in million US\$) ...	7
Figure 2.1 Conceptual Model.....	30



LIST OF APPENDICES

APPENDIX A QUESTIONNAIRE.....	A-1
APPENDIX B RESPONDENT DATA RECAP	A-2
APPENDIX C PRELIMINARY INSTRUMENT TEST RESULTS	A-3
APPENDIX D PROFILE RESPONDENT.....	A-4
APPENDIX E DESCRIPTION OF RESEARCH	A-5
APPENDIX F ACTUAL TEST RESULTS	A-6

