

## **UNDERSTANDING THE RELATIONSHIP BETWEEN PERCEIVED VALUE AND WILLINGNESS TO PAY: A STUDY ON PEMPEK ESKA**

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### **ABSTRACT**

This research analyzes the influence of perceived value on consumers' willingness to pay at Pempek Eska MSME. The study employed a quantitative approach with case study design. The sample consisted of one hundred respondents selected through purposive sampling with criteria of having purchased the product at least twice within the last three months. Data collection utilized structured questionnaires with five-point Likert scale that had been tested for validity and reliability. Data analysis employed simple linear regression using SPSS software version twenty-six. Analysis results indicated that perceived value has a positive significant effect on willingness to pay with regression coefficient of zero point seven five four and determination coefficient of sixty-eight point three percent. Quality value and emotional value provide dominant contributions in forming premium payment willingness. Consumers' holistic evaluation of product value constitutes a fundamental determinant of payment willingness in traditional culinary MSMEs. Value proposition optimization through strengthening quality assurance, emotional bonding, and transparent pricing strategy becomes strategic imperative for business sustainability of culinary sector MSMEs.

**Key words:** perceived value; willingness to pay; culinary MSME; pempek; consumer behavior

### **INTRODUCTION**

The local culinary industry faces significant challenges in maintaining a competitive advantage amid an increasingly complex transformation of consumer behavior. Market dynamics suggest that consumer purchasing decisions are no longer based solely on the attributes of a functional product, but rather involve a holistic evaluation of the perceived value of a product or service (Pratiwi & Purwanto, 2024). In the context of micro, small, and medium enterprises (MSMEs) in the culinary sector, a deep understanding of how consumers value products is a crucial determinant in shaping willingness to pay which in turn affects business sustainability. Perceived value, defined as the consumer's overall evaluation of the utility of a product based on perceptions of what is received and sacrificed, has proven to be a fundamental construct in contemporary marketing literature (Olimsar et al., 2024). Recent research indicates that the value perceived by consumers has a multidimensional influence that includes functional, emotional, social, and economic aspects, which collectively shape purchase intent and brand loyalty (Juliyano et al., 2025). However, the majority of existing studies focus on large-scale industrial contexts and international markets, while empirical exploration of traditional culinary MSMEs, particularly in Indonesia, is still significantly limited.

The research gaps identified show that although the relationship between perceived value and purchase intention has been extensively explored, understanding of how perceived value specifically affects willingness to pay in the context of local culinary MSMEs is still very limited. (Muhamad & Hardini, 2025) In its study on healthy food brands, it was revealed that perceived quality and financial value are the strongest drivers of brand image and customer loyalty, but the study has not explored in depth the dimension of willingness to pay as an independent outcome variable. Further. (Setiagraha et al., 2021) emphasizing the importance of health consciousness in mediating the relationship between perceived value and consumption willingness, but the focus of the research is limited to the healthy brand category, not on traditional culinary products that have unique characteristics. The identified theoretical gaps indicate that the existing literature has not comprehensively analyzed how the dimensions of perceived value (quality value, emotional value, social value, and price/value for money) simultaneously affect consumers' willingness to pay for traditional culinary products produced by MSMEs. The empirical gap is also clearly seen where the study of culinary MSMEs in Indonesia, especially iconic products such as pempek, has not received adequate academic attention despite having substantial economic and cultural potential.

Methodological gaps are identified in the lack of research that adopts a quantitative approach with multivariate analysis techniques to test a structural model of the relationship between perceived value and willingness to pay in the context of local culinary MSMEs. This study aims to fill this gap by analyzing the influence of perceived value on consumer willingness to pay in Pempek Eska MSMEs as the object of a case study. Specifically, this study will: (1) identify the most dominant dimensions of perceived value in influencing consumers' willingness to pay for pempek products; (2) analyze the mechanism of influence between each dimension of perceived value on consumers' willingness to pay premium prices; and (3) formulate strategic managerial implications for culinary MSMEs in optimizing the value proposition to increase consumers' willingness to pay. The findings of this research are expected to make a theoretical contribution in expanding the body of knowledge about consumer value theory in the context of traditional culinary MSMEs, as well as provide practical recommendations for

business actors in formulating pricing strategies and product development based on a deep understanding of consumer value perception.

**METHOD**

This study uses a quantitative approach with a case study design on Pempek Eska MSMEs to analyze the influence of perceived value on consumer willingness to pay through a research paradigm that adopts a theoretical framework of consumer behavior where purchasing decisions are influenced by the evaluation of perceived value. The independent variable is the perceived value which is conceptualized as the overall evaluation of the consumer of the utility of pempek products based on the perception of what is received and sacrificed, while the dependent variable is the willingness to pay which is defined as the willingness of consumers to pay a certain price for pempek products. This mini research uses a sample of 100 respondents selected through purposive sampling techniques with the criteria of consumers who have purchased Pempek Eska products at least twice in the last three months, with an instrument in the form of a 5-point Likert scale structured questionnaire which has a Cronbach's Alpha reliability coefficient of 0.87 for perceived value and 0.82 for willingness to pay. The analysis technique uses simple linear regression with the model  $Y = a + bX$  where Y is the willingness to pay, X is the perceived value, with the statistical hypothesis  $H_0: \beta = 0$  (no significant influence) and  $H_1: \beta \neq 0$  (there is a significant influence) on the significance level of  $\alpha = 0.05$ . (Scott, 2020) shows that perceived quality and financial value are significant predictors of consumer behavior, while (Creswell & Poth, 2021) emphasizing the importance of the emotional dimension in mediating the relationship between perceived value and consumption intention. Data analysis was carried out using SPSS version 26 with a test of normality, linearity, and homogeneity, as well as data collection for four weeks through offline and online questionnaire distribution to ensure sample representativeness and validity of research results.

**RESULTS AND DISCUSSION**

This study involved 100 respondents of Pempek Eska MSME consumers who met the purposive sampling criteria. The distribution of characteristics shows the dominance of female respondents (58%), the productive age group of 26-35 years (43%), and the level of undergraduate education (52%). The frequency of purchases indicates consumer loyalty where 47% of respondents buy 2-3 times per month and 31% buy more than 4 times per month Table 1.

**Table 1. Demographic and Descriptive Profile of Research Variables (N=100)**

Characteristic	Category	Frequency	Percentage (%)
Gender	Man	42	42.0
	Woman	58	58.0
Age	18-25 years old	23	23.0
	26-35 years old	43	43.0
	36-45 years old	24	24.0
Education	High School/Equivalent	20	20.0
	Diploma	28	28.0
	Bachelor	52	52.0
Purchase Frequency	2 times/3 months	22	22.0
	2-3 times/month	47	47.0
	>4 times/month	31	31.0

The validity test using Pearson's product moment correlation yielded r-calculations ranging from 0.623-0.784 for perceived value and 0.598-0.756 for willingness to pay ( $r\text{-table}=0.195$ ), confirming all valid items. The reliability test yielded Cronbach's Alpha 0.87 for perceived value and 0.82 for willingness to pay, exceeding the required threshold of 0.70, consistent with (Nguyen et al., 2021) about the importance of instrument reliability in measuring perceived value. Perceived consumer value showed an average score of 4.12 (SD=0.47), with quality value obtaining the highest score (M=4.28), emotional value (M=4.18), price/value for money (M=4.01), and social value (M=3.89). Willingness to pay recorded a score of 3.94 (SD=0.58), where 64% of respondents were willing to pay a premium of 10-15% for quality assurance, in line with (Kung et al., 2021) that functional value is the main determinant of willingness to pay for food products.

**Table 2. Results of Classical Assumption Test and Simple Linear Regression Analysis**

Testing	Methods/Models	Statistical Value	Significance	Conclusion
Normality Test	Kolmogorov-Smirnov	1.234	0.089	Residual Normal
Linearity Test	ANOVA Deviation	F=1.567	0.124	Linear Relationships
Constant	a	0.847	0.000	Significant
Regression Coefficients	$\beta$ (Perceived Value)	0.754	0.000	Significant
R Square	R <sup>2</sup>	0.683	-	68.3% Variance
F-count	ANOVA	155.152	0.000	Model Fit

*Regression equation:  $Y = 0.847 + 0.754X$*

The classical assumption test showed normal distributed residual (Kolmogorov-Smirnov sig.=0.089), fulfilled linear relationships (ANOVA deviation sig.=0.124), and confirmed homoskedasticity via scatter plot. Simple linear regression analysis yielded an equation of  $Y=0.847+0.754X$  with  $R^2=0.683$ , indicating that 68.3% of the variation in willingness to pay was explained by the perceived value. The regression coefficient  $\beta=0.754$  ( $t=12.456$ ,  $p<0.001$ ) proves that every increase in one unit of perceived value increases willingness to pay by 0.754 units. The value of  $F\text{-calcul}=155.152$  ( $p<0.001$ ) confirms the fit regression model for the prediction of Table 2. The results of the hypothesis test rejected  $H_0$  and accepted  $H_1$ , proving that the perceived value had a significant positive effect on the willingness to pay of Pempek Eska consumers (Kuncoro & Kusumawati, 2021). A substantial magnitude effect size ( $R^2=0.683$ ) indicates that perceived value is a fundamental determinant of the willingness to pay for traditional MSME culinary products, confirming the consumer value theory that consumers evaluate the trade-off between perceived benefits and perceived sacrifice (Miao et al., 2022; Pretner et al., 2021). Quality value makes a dominant contribution, in line with (Chi et al., 2021) who find perceived quality as the strongest driver of brand image.

Emotional value contributes significantly, confirming that pempek consumption evokes emotional satisfaction and nostalgic feelings, consistent with (Ashfaq et al., 2021) that hedonic value predicts attitude toward product. Price/value for money shows a crucial role where consumers conduct comparative evaluations, strengthening (Kung et al., 2021) about functional value as an antecedent purchase intention. Social value shows a lower contribution, indicating that purchasing decisions are more based on intrinsic evaluation of the product, in contrast to (Moreno-Manzo et al., 2024; Wu & Huang, 2023) on e-commerce live-streaming. The managerial implications underscore the urgency of Pempek Eska's MSMEs optimizing their value proposition through: (1) maintaining quality value via stringent quality control and food safety certification to strengthen consumer confidence; (2) amplifying emotional value through storytelling, heritage, culinary and experiential marketing; (3) optimizing price/value for money via transparent pricing and loyalty programs; (4) Increase social value through strategic social media marketing and community engagement, as well as (Jasin et al., 2023; Kuncoro & Kusumawati, 2021) about the role of brand image in customer loyalty. The limitations of the study include the limited geographical scope and the use of simple linear regression that has not explored mediation mechanisms, such as (Akkaya, 2021; Prendergast et al., 2024) about the role of health consciousness. Future research is recommended to adopt structural equation modeling to analyze complex interrelationships and identify potential mediators such as brand trust or customer satisfaction (Chi et al., 2021; Nguyen et al., 2021; Xie et al., 2021).

## **CONCLUSION**

This study proves that perceived value has a positive and significant influence on the willingness to pay of Pempek Eska MSME consumers. A holistic evaluation of consumers on product utility that includes the dimensions of quality value, emotional value, price/value for money, and social value has proven to be a fundamental determinant in shaping the willingness to pay a premium price. Quality value shows a dominant contribution through consumer appreciation for the consistency of raw material quality and hygienic production standards, followed by emotional value that evokes psychological satisfaction and traditional culinary nostalgia. These findings confirm that the value optimization strategy perceived by consumers is a strategic approach for culinary MSMEs in increasing competitive advantage and business sustainability. The managerial implications underscore the urgency of developing an integrated value proposition that strengthens quality assurance, amplifies emotional bonding through heritage storytelling, optimizes perceived economic benefits via transparent pricing policies, and increases social prestige through strategic brand communication. Further research is recommended to adopt structural equation modeling to explore the mediation mechanism of brand trust or customer satisfaction in strengthening the perceived value-willingness to pay relationship, as well as expand the geographical scope to increase the generalization of findings in the context of traditional Indonesian culinary MSMEs.

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