

ABSTRACT

Intense competition in the Indonesian smartphone industry requires companies to implement effective marketing strategies. This study aims to analyze the influence of promotion and price on the purchase decisions for Xiaomi smartphones, as well as to examine the mediating role of brand image in this relationship. The background of this research is based on the contradiction between Xiaomi's market dominance and the emergence of product quality issues and fragile consumer loyalty.

This study employs a quantitative approach using a survey method, with data collected from 100 Xiaomi smartphone users in Indonesia. The data were analyzed using Structural Equation Modeling (SEM) with SmartPLS 4 software. The results show that promotion and price have a direct, positive, and significant effect on purchase decisions. Both variables were also found to have a positive and significant influence on brand image.

Furthermore, brand image has a significant influence on purchase decisions and successfully and significantly mediates the relationship between promotion and price on purchase decisions. The implications of this study confirm that effective promotional strategies and competitive pricing not only drive purchases directly but also strategically build a strong brand image, which ultimately becomes a key driver of consumer decisions.

These findings can provide valuable insights for Xiaomi on how to balance consumer acquisition strategies, driven by promotion and price, with the strengthening of its brand image to maintain long-term loyalty.

Keywords: *Promotion, Price, Brand Image, Purchase Decision, Xiaomi*