



THE INFLUENCE OF PRICE AND PRODUCT QUALITY ON THE PURCHASE DECISION OF 'Le Minerale' PRODUCTS

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ABSTRACT

This research aims to examine and analyze the influence of price and product quality on the purchasing decision of Le Minerale branded Bottled Drinking Water (AMDK) products. This research is conducted because there are still many questions regarding consumer decisions in purchasing Le Minerale products. The study samples data from 100 respondents through a survey using Google Forms with the criteria that respondents have previously purchased and consumed Le Minerale products. Data testing techniques used to examine the survey results in this study include validity testing, reliability testing, normality testing, multicollinearity testing, and heteroskedasticity testing. The research model used is a multiple linear regression model. Based on the test results, it can be concluded that price and product quality have a significant and positive influence on the purchasing decision of Le Minerale products. The findings of this research imply that PT. Tirta Fresindo Jaya should always pay attention to and improve the quality of its products to attract more consumers to purchase Le Minerale products. PT. Tirta Fresindo Jaya should also consider competitive pricing that matches the quality of its products to maintain or even increase product sales.

Keyword: Price, Product Quality, Consumer Purchasing Decision.

1. Introduction

In research on the influence of price and product quality on purchasing decisions, it explains the extent to which two variables (price and quality) impact one variable (purchase decision) on products to be bought or consumed. Existing research also shows varying results among the three interconnected variables.

Research by Ismayana and Hayati (2018) found that price and quality significantly impact and have a positive influence on purchasing decisions for Pixy lipstick products. Similarly, Kumala and Anwar (2020) had similar research findings that price and quality positively influence purchasing decisions for housing at PT. Hasanah Mulia Investama. According to research by Puspita and Budiarmo (2020), the price and quality of Rocket Chicken Wolter Monginsidi products in Semarang city proved to have a positive and significant impact on purchasing decisions.

Research by Mustika Sari, R., and Ganesha, P. (2021) on the influence of price and quality significantly and positively affected the purchasing decision of RISE bedsheets products. Likewise, research by Joshua, D. and Padmalia, M. (2017) on Terang Bulan-Martabak 93 products showed that price and product quality significantly influence consumer purchasing decisions. Furthermore, Rahmat Hidayat, R. (2022), who researched the influence of price and product quality on Kanzler sausage products in Sampit city, found a significant and positive impact on purchasing decisions.

Several other studies, such as those by Sumayah Nur Rohmah and Serli Oktapiani (2021) examining the influence of price and quality on the purchasing decision of Sensi medical masks

among students at the University of Technology Sumbawa, and by Selvia, M., and Tumbel, A. L. (2022) studying the influence of price and quality of Scarlett Whitening products on students of the Faculty of Economics and Business, also found a significant and positive influence on purchasing decisions.

However, according to Anwar, I (2015), research on the purchase decision of kitchenware products at the Maxim Housewares Grand City Mall Surabaya showroom showed that price has a negative influence while quality has a positive influence on purchasing decisions. And according to Supu, P., Poluan, et al. (2021), the price and quality of Samsung products do not affect purchasing decisions.

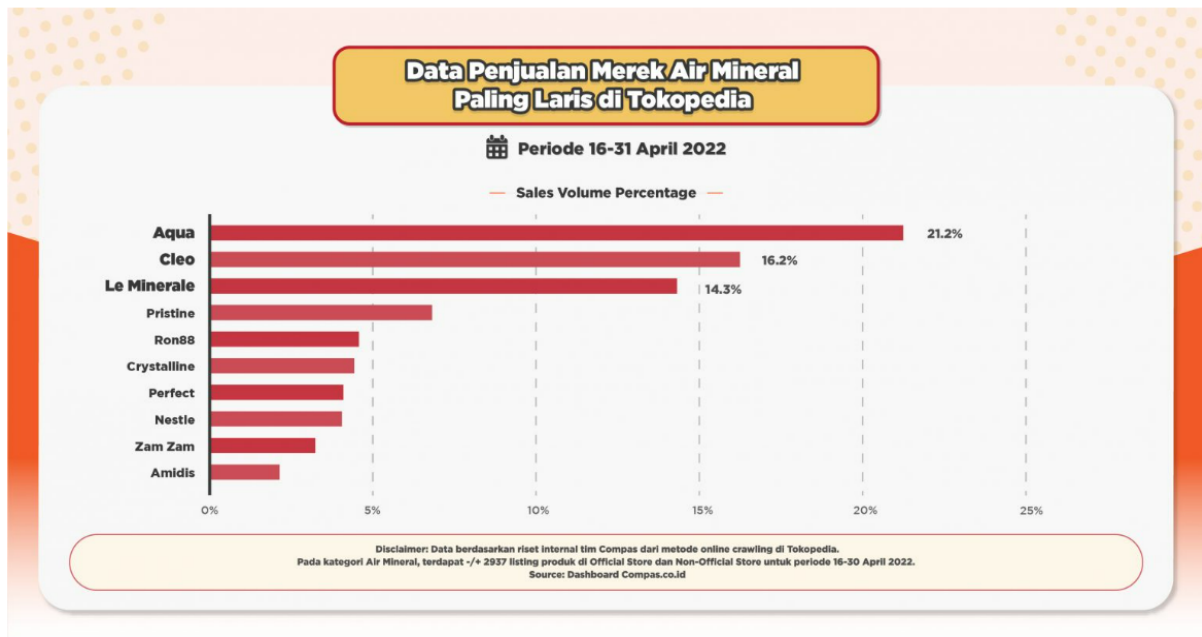


Figure 1

According to the survey results by Raga Putra Wiwaha (2022), bottled mineral water products were the best-selling on Tokopedia during the period from April 16 to April 31, 2022. This proves that Aqua is the best-selling AMDK product, followed by Cleo and Le Minerale, with a percentage of 14.3%.

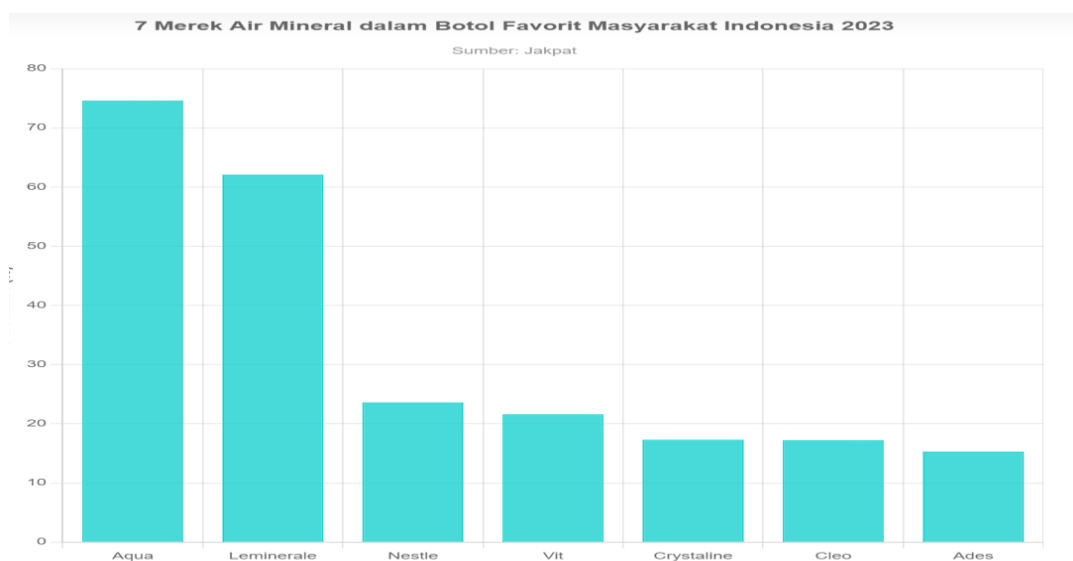


Figure 2

Meanwhile, the survey results according to IIP M. Aditiya (2023), for the survey period of September 26, 2022, conducted in supermarkets through the Jajak Pendapat (JAKPAT) survey, show that Aqua takes the first position and Le Minerale occupies the second position as the most favorite mineral water brand with a percentage of 62.1%.

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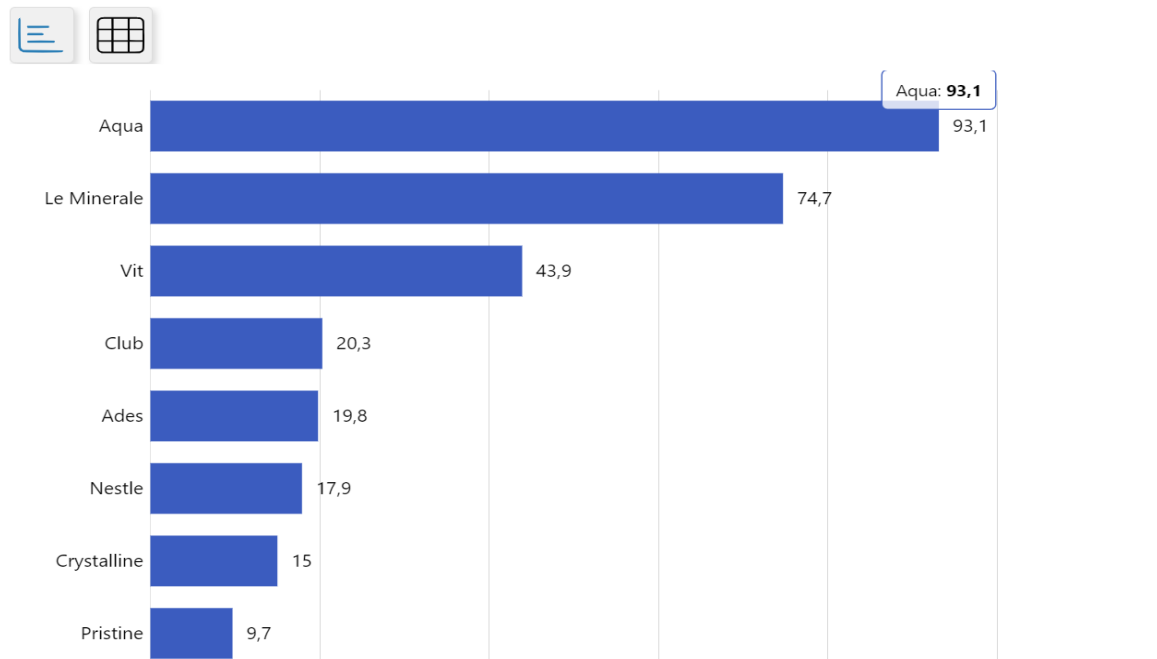


Figure 3

Le Minerale itself is the second best-selling product after Aqua according to the survey results by Cindy Mutia Annur (2023). This makes us want to further investigate because there are still questions remaining about the influence of the two variables above on purchasing decisions for Le Minerale products. Here is a data diagram regarding the most frequently consumed mineral water brands by Indonesian society in the last year (January 2023) according to the survey results from Cindy Mutia Annur.

Therefore, this article will examine the extent of the influence of price and product quality of Le Minerale mineral water on consumer purchasing decisions and the resulting impact. With 100 respondents through a survey using Google Forms. It is hoped that with the research results on the influence of price and product quality of Le Minerale, it can provide an insight into how people make purchasing decisions regarding Le Minerale bottled mineral water based on research on the price and product quality of Le Minerale.

2. Literature Review

2.1 Price

In making purchasing decisions, everyone always has considerations. Price plays a crucial role in the purchasing decision-making process because before buying a product, individuals typically consider the listed price. Moreover, many also take into account the product quality in relation to its price. According to Kotler and Armstrong (2001: 439), price

can be defined as the uncertain monetary value given to acquire a good or service, or the exchange value that someone engages in to obtain ownership of a good or service for its intended use.

Products with high-quality standards generally build consumer trust in the brand. Consumers feel confident that the product will meet or even exceed their expectations, making them more likely to choose the product. Economical prices are also often seen as a sign of good value. Consumers tend to view products with prices commensurate with the benefits or quality provided as a valuable investment. Affordable prices can facilitate brands in reaching more market segments. Products with affordable prices can attract the attention of consumers from various income levels, thus expanding the market share of the brand. There are also situations where several brands offer similar products; lower prices can be a key factor in winning competition. Consumers often choose products with lower prices if their quality is considered the same.

2.1.1 Product Quality

Affordable prices naturally attract consumers. When consumers find products at prices considered appropriate for the value or benefits they seek, they tend to lean towards purchasing those products. Product quality is a function and benefit of a product; a high-quality product can undoubtedly fulfill and satisfy the needs of the user. Philip Kotler (2009:143) defines product quality as all characteristics of goods or services whose function is to meet stated or implied needs.

Products with high-quality standards tend to instill consumer confidence in the brand. Consumers can feel assured that the product will meet or even exceed their expectations, making them more likely to choose the product. Consequently, products with good quality also tend to provide a more satisfying experience for consumers. Consumers who are satisfied with the product are likely to repurchase from the same brand in the future. Products with high-quality standards also help strengthen the brand's reputation. Brands known for providing quality products tend to attract more consumers, as consumers believe they will get good value from the product. Although high-quality products may have higher prices, the long-term benefits obtained from customer satisfaction and brand loyalty can far outweigh the initial costs. Satisfied customers are likely to become loyal customers and may even recommend the brand to others.

2.1.2 Purchasing Decision

Purchasing decision is a thought in someone's mind where the person evaluates a product from various options and then decides on one product from many different products. Kotler & Armstrong (2014) state that purchasing decision is a stage in a person's decision-making process where a consumer is confident in making the purchase.

When consumers receive products or services that meet their needs or desires, it often results in satisfaction with their purchasing decisions. Good value and benefits towards purchasing decisions can provide significant value and benefits to consumers. Products or services that meet or even exceed consumer expectations can provide sustained benefits and improve their quality of life. Positive purchasing decisions can strengthen customer loyalty. Satisfied customers are likely to become loyal customers and return for future purchases, and may even recommend the brand to others.

2.1.3 Hypothesis

Based on the variables tested, "The Influence of Price and Product Quality on Purchasing Decisions," two hypotheses can be formulated as follows:

H0: Price and Product Quality do not influence purchasing decisions.

H1: Price and Product Quality have a significant and positive influence on purchasing decisions.

3. Research Method

In this study, the Empirical Research method is utilized, classified based on its explanatory level as Cause and Effect research. This study involves the collection and analysis of factual data or data based on empirical experience. The main variables we are investigating include the influence of price and product quality, measured through distributed questionnaires to provide in-depth insights into the factors affecting purchasing decisions.

This type of research utilizes primary data. The data collection technique employed in this study is through a survey using a questionnaire instrument. The questionnaire used in this research was created through Google Forms, and the results of the questionnaire dissemination were obtained by distributing the questionnaire through social media platforms such as WhatsApp and Instagram. Additionally, a sample of 100 respondents was taken, with the criteria that respondents have previously purchased and consumed Le Minerale products. The variables in this study have also undergone Validity and Reliability tests. The research model used is the Multiple Linear Regression model and has passed tests for Normality, Multicollinearity, and Heteroskedasticity.

According to Sugiyono (2013:132), it is stated that "various types of measurement scales can include: nominal scale, ordinal scale, interval scale, and ratio scale, from which nominal, ordinal, interval, and ratio data will be obtained". Scale is a tool or mechanism used to differentiate individuals into variables used in research. The scale used in this study is the interval scale. This interval scale possesses classification, order (sequence), and distance (difference between two values) properties. A Likert scale of 1–5, where the intervals 1-2 = 2-3 = 3-4, and = 4-5.

The indicator of the price variable (X1) includes 5 statements as follows: (1) In my opinion, the price of Le Minerale mineral water brand is very affordable. (2) In my opinion, the price of the Le Minerale mineral water brand is in line with purchasing power. (3) In my opinion, the price of Le Minerale is commensurate with the quality of the products offered. (4) In my opinion, Le Minerale has competitive prices compared to other mineral water brands. (5) In my opinion, the price of Le Minerale products corresponds to the packaging variations offered.

Meanwhile, the indicator of the product quality variable (X2) also includes 5 statements as follows: (1) In my opinion, the taste of Le Minerale branded mineral water is refreshing. (2) I feel that the packaging of Le Minerale mineral water is not easily damaged. (3) I feel that Le Minerale has quality that meets consumer expectations. (4) I feel that Le Minerale mineral water has relatively long durability according to the expiration date listed on the packaging. (5) In my opinion, the quality of Le Minerale branded mineral water can be trusted (it already has BPOM certification).

And, the indicators for the purchasing decision variable (Y) include 5 statements as follows: (1) I buy Le Minerale according to my needs and desires. (2) I am interested in buying Le Minerale after obtaining detailed information from a close source (family or friends). (3) I make repeated purchases of Le Minerale or more than once. (4) I have no objection to recommending Le Minerale products to others. (5) I am more interested in buying Le Minerale compared to other mineral water products.

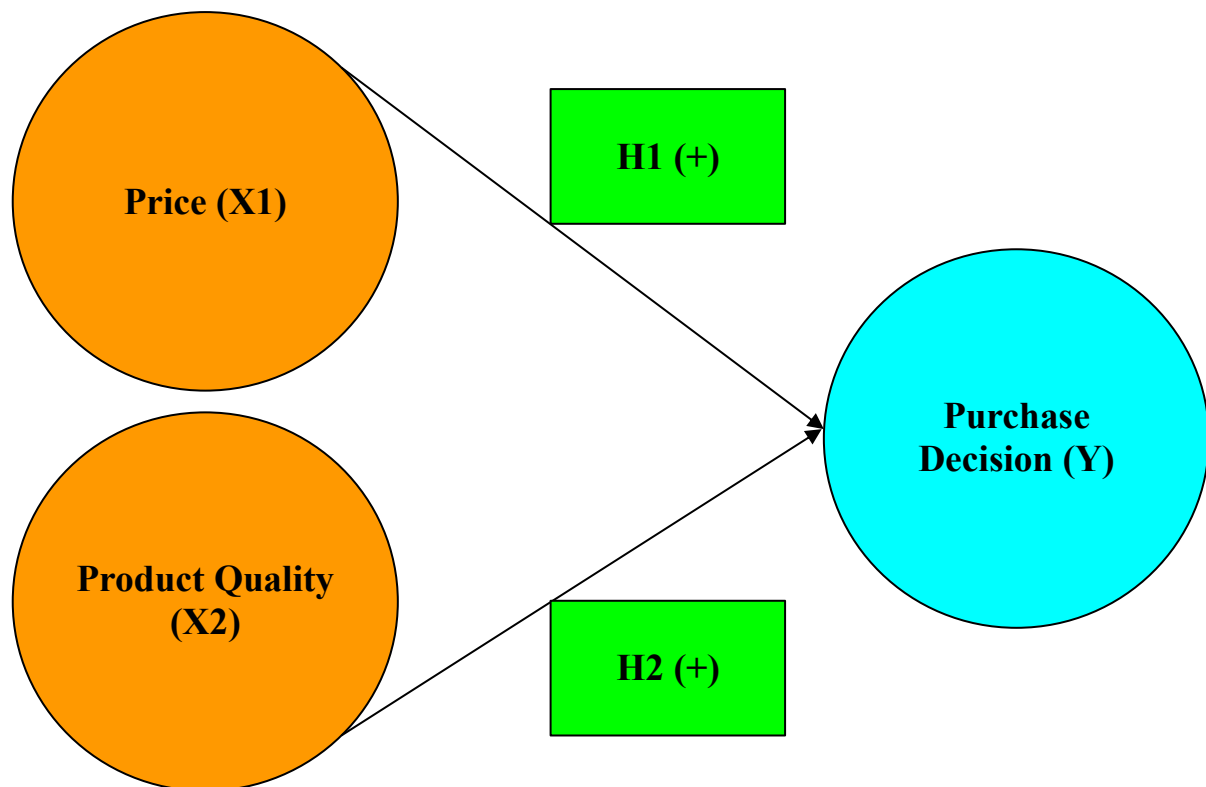


Figure 4

4. Research Findings and Discussion

The number of respondents who completed the questionnaire was 109 individuals. However, 4 of them could not be used because they did not meet the research sample criteria. Out of these 4 respondents, 2 had never consumed Le Minerale products, and 2 had never purchased products from Le Minerale. Therefore, the total number of questionnaires that could be further analyzed was 105 respondents.

The gender that completed the questionnaire was dominated by females, with 70 (64.2%) compared to males, who were only 39 (35.8%). The average age of respondents was between 19 and 22 years old, with the percentage of respondents aged 19 years being 53 (48.5%), 20 years 45 (41.2%), 21 years 9 (8.2%), and 22 years 10 (9.2%).

From the respondents who completed the questionnaire, it can be said that they agree with the price variable for the decision to purchase Le Minerale products, with 56.52% strongly agreeing. Similarly, with the product quality, 52.48% of respondents strongly agreed.

4.1 Validity Test

Based on the validity testing results using Pearson Correlation it can be concluded that the data for the price variable of Le Minerale products (HT) show valid results with a significance level not exceeding 0.05 (5%). Similarly, the data for the product quality variable of Le Minerale (KT) show valid results with a significance level not exceeding 0.05 (5%). and, the data for the purchase decision variable on Le Minerale products (KPT) show valid results with a significance level not exceeding 0.05 (5%).

Table 1. Reliability Test

No	Variable	Cronbach Alpha	Cronbach’s Alpha Based on Standardized Items	Description
1	Price (X1)	0.767	0.821	Reliable
2	Product Quality (X2)	0.760	0.810	Reliable
3	Purchasing decision (Y)	0.730	0.746	Reliable

The data for the price variable of Le Minerale products (HT) indicate reliable results with Cronbach’s Alpha above 0.6. The data for the product quality variable of Le Minerale (KT) indicate reliable results with Cronbach’s Alpha above 0.6. The data for the purchase decision variable on Le Minerale products (KPT) indicate reliable results with Cronbach’s Alpha above 0.6.

Table 2. Normality Test

One-Sample Kolmogorov-Smirnov Test		
Unstandardized Residual		
Asymp. Sig (2-tailed)	Sig.	0.069

Based on the normality test results using the One-Sample Kolmogorov-Smirnov Test with a significance level not exceeding 0.05 (5%), it can be concluded that the residuals are not normally distributed.

Table 3. Multicollinearity Test

Model	Tolerance	VIF
HT (Price)	0,518	1,932
KT (Product Quality)	0,518	1,932

Based on the test results in the table above, the data does not experience multicollinearity. With Tolerance results below 10 and VIF above 0.1.

Table 4. Heteroskedasticity Test

Model	B	t	Sig.
(Constant)	1.677	2.742	0.007
HT (Price)	-0.030	-0.670	0.504
KT (Product Quality)	-0.016	-0.374	0.709

Based on the test results in the table above, with significance values above 0.05 for the price and quality variables, it can be concluded that the data does not experience heteroskedasticity.

Table 5. Regression Test

Model	Unstandardized B	t	Sig.
(Constant)	2,534	2,416	0,017
HT (Price)	0,319	4,113	0,000
KT (Product Quality)	0,534	7,267	0,000

Based on the regression test results with a research alpha level of 0.05, it can be concluded that price significantly influences purchase decisions, and product quality significantly and positively influences purchase decisions.

4.2 Discussion

Price has a positive and significant influence on the decision to purchase Le Minerale bottled water products, as indicated by the significance value of $0.042 < 0.05$. Therefore, these results indicate that the first hypothesis is supported. and it shows that more than 100 respondents who completed the questionnaire and have consumed and purchased Le Minerale products are satisfied and feel that the products are worth the market price. This result is consistent with the study by Ismayana and Hayati (2018) on the influence of price and quality on the purchase decision of Pixy products. It is also contrary to the study by Anwar, I (2015), which examined the influence of price and product quality on the purchase decision of cooking equipment at the Maxim Houseware Grand City Mall Surabaya showroom, where the result showed that price did not affect consumer purchasing decisions. Affordable prices naturally attract consumers. When consumers find products at prices considered appropriate for the value or benefits they seek, they tend to lean towards purchasing those products. Affordable prices are often considered indicators of good value. Consumers tend to view products with prices aligned with the benefits or quality provided as valuable investments. Budget Consideration: Most consumers have budget constraints when shopping. Affordable prices within their budget allow consumers to fulfill their needs without feeling financially burdened. Affordable prices allow brands to reach a broader market segment. Affordable products can attract consumers with various income levels, this expanding the market share of the brand. In situations where similar products are also offered by several brands, lower prices can be a determining factor in winning the competition. Consumers tend to choose products with lower prices if their quality is considered equal.

Product quality also yielded similar test results with a significance value below 0.05. This indicates that product quality has a significant and positive impact on the decision to purchase Le Minerale bottled water products (second hypothesis supported). More than 100 respondents also provided relatively supportive answers regarding the test results of the quality variable. This research result also supports the study by Joshua, D. and Padmalia, M. (2017) on Terang Bulan-Martabak 93 products, which found that price and product quality have a significant and positive influence on purchasing decisions. However, this result contrasts with the study by Supu, P., Poluan, etc. (2021) on Samsung products, where their research showed that price and product quality did not have a significant and positive influence on purchasing decisions. The Le Minerale product has a refreshing taste and high-quality products help build a strong brand reputation. Brands known for providing quality products tend to attract more consumers because consumers believe they will get good value from the product. Le Minerale also has relatively long packaging durability in accordance with the expiration date listed on the

packaging, even though the price of the high-quality product is relatively higher. Consumers often see the long-term value of investing in the product. They consider long-term benefits, reliable performance, and product durability when making purchasing decisions.

5. Conclusions

Price has a positive and significant influence on the decision to purchase Le Minerale bottled water products. Product quality has a significant and positive impact on the decision to purchase Le Minerale bottled water products.

The findings of this research imply that PT. Tirta Fresindo Jaya should always pay attention to and improve the quality of its products to attract more consumers to purchase Le Minerale products. PT. Tirta Fresindo Jaya should also consider competitive pricing that matches the quality of its products to maintain or even increase product sales. For companies, there is a need for further evaluation regarding product price and quality to maintain and increase sales in the market by maintaining product quality. It is also hoped that sellers can enhance consumer trust in making purchases by supplementing social media accounts with testimonials from previous satisfied customers regarding the quality of Le Minerale products and their purchasing experience.

The number of respondents, which is only 108 people, is certainly insufficient to depict the actual situation. In the process of data collection, the information provided by respondents through questionnaires sometimes does not reflect their true opinions. This occurs because there are sometimes differences in thoughts, assumptions, and understandings among each respondent. However, there are also other factors such as the honesty factor in filling out respondents' opinions in their questionnaires.

Based on the results of the research, several suggestion ideas can be formulated. Future researchers who will examine purchase decisions influenced by price and product quality should reach a broader scope of research material so that the research results can be generalized. It is also recommended to gather a larger sample aiming to obtain better data accuracy in this study. It is hoped to include additional variables that may affect other aspects related to this topic.

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