

The Influence of Price, Product Quality, and Brand Image on Purchase Decisions for Ultra UHT Milk Products During the Covid-19 Pandemic in Indonesia

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Abstract

This study aims to determine the effect of price, product quality, and brand image on purchasing decisions of UHT milk in Indonesia. The research method used in this research is by distributing questionnaires to all users of UHT milk products, using probability sampling technique or random sampling is a sampling technique carried out by providing opportunities or opportunities for all members of the population to become samples. This sample obtained is expected to be a representative sample. Using this technique because this study provides opportunities for all users of ultra-milk to be a sample of 97 respondents. This study uses the Multiple Linear Regression method which is directed to analyze the truth of the data to determine the effect between the independent variable and the dependent variable. The results of this study can be concluded that the variables of price, product quality, and brand image simultaneously have a significant effect on purchasing decisions as evidenced by the results of the simultaneous test (f test) and partial test (t-test).

Keywords

Price, Product Quality, Brand Image, Purchasing Decisions

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Preliminary

For almost two years the world has been facing a state of emergency due to the Covid-19 pandemic. The health sector is a top priority that must be addressed to stop the spread of the virus from this outbreak. As a result, public awareness of the importance of increasing immunity and body resistance is getting higher. One way to increase immunity and endurance is to switch to a healthy lifestyle, such as eating nutritious foods, vitamins, and milk. Using public awareness, many industries are trying to produce various kinds of products that have balanced nutritional value so that they can increase immunity and endurance during this Covid-19 pandemic. One of them is the PT Ultrajaya Milk Industry which is a producer of fresh liquid milk, soft drinks, and other health drinks. PT Ultrajaya Milk Industry producing drinks with technology Ultra High Temperature (UHT) and packaged aseptically. Ultra-Milk, a superior product produced by PT Ultrajaya Milk Industry, is UHT milk which is useful for increasing immunity and endurance during the Covid-19 pandemic. Ultra-Milk contains various nutrients that are good for our bodies, such as energy, protein, carbohydrates, sodium, potassium, vitamin A, vitamin B, vitamin C, vitamin D, and Vitamin E. In addition to boosting immune cells, these vitamins can also prevent and fight diseases caused by infections and bacteria.

Table 1

Net Sales of PT Ultra Jaya Milk Industry

Year	Net Sales (in millions of rupiah)
2020	5,967,362
2019	6,233,057
2018	5,472,882

Source: PT Ultrajaya Milk Industry 2020 Annual Report

Based on this data, there was a 4.1% decrease in net sales, from RP 6.22 trillion in 2019 to RP 5.97 trillion in 2020. This is presumably due to the influence of price, product quality, and brand image. Which is not good in its application?

Theory Basis Promotion

Price

Nafisah and Daryanto (2020) says that price is the amount of money billed for a product or several values that are exchanged by consumers for the benefits of owning or using the product. The price of the product is expected to attract consumers to buy and use a product and is expected to influence consumers not to choose competing products. In economic theory, it is stated that the price of an item or service whose market is competitive, so that the price level is determined by market demand and supply (Bahri, 2020).

Price Dimension

According to Kotler and Armstrong interpreted by (Della Maldini, Irfansyah, & Pujianti, 2021) says that there are several sizes of prices, namely:

1. Price Affordability
2. Price matches for product quality.
3. Price match with benefits
4. Price according to ability or price competitiveness

Product quality

As said by Boateng, Yang, and Li (2021) that product quality is an aspect that is in an object or result that causes it to match the purpose for which the object or result is intended. A product is said to be of high quality if the product can meet customer expectations.

Product Quality Dimension

According to Broekhuizen et al. (2021) there are six specifications of the dimensions of product quality, namely:

1. Performance
2. Range and type of features
3. Reliability and durability
4. Maintainability and Serviceability
5. Sensory Characteristics
6. Ethical profile and image

Brand Image

Brand Image is a set of beliefs, ideas, and impressions that a person has of a brand (DAM & DAM, 2021).

Brand Image Dimensions

According to Saxena and Dhar (2021) the indicators of Brand Image are as follows:

1. Recognition
2. Reputation
3. Affinity
4. Loyalty

Buying decision

According to Tang, Hu, and Wu (2021) decision making in purchasing is an evaluation process carried out by consumers in solving problems encountered in product selection, two selection decisions on two alternative choices or more.

Purchase Decision Dimension

According to (Tang et al., 2021) there are several indicators of purchasing decisions, namely:

1. Product Selection
2. Purchase Channel Selection
3. Purchase time
4. Purchase amount
5. Payment method

Price (X1), Product Quality (X2), and Brand Image (X3) Relationship to Purchase Decisions (Y)

Effect of Price (X1) on Purchase Decision (Y)

Dyatmika and Firdaus (2021) argue that price has a positive and significant effect on purchasing decisions. Therefore, the price can be a benchmark for consumers for a product, if the price offered for a product matches the consumer expectations, consumers will be more interested in making a purchase. From this statement, it can be concluded that price can influence consumers in giving value to a product, which value is related to good and bad product quality. Then the price can affect the image of the product in the eyes of consumers, which is about a positive or negative image. And prices can also influence consumers in choosing products which then determine their purchasing decisions.

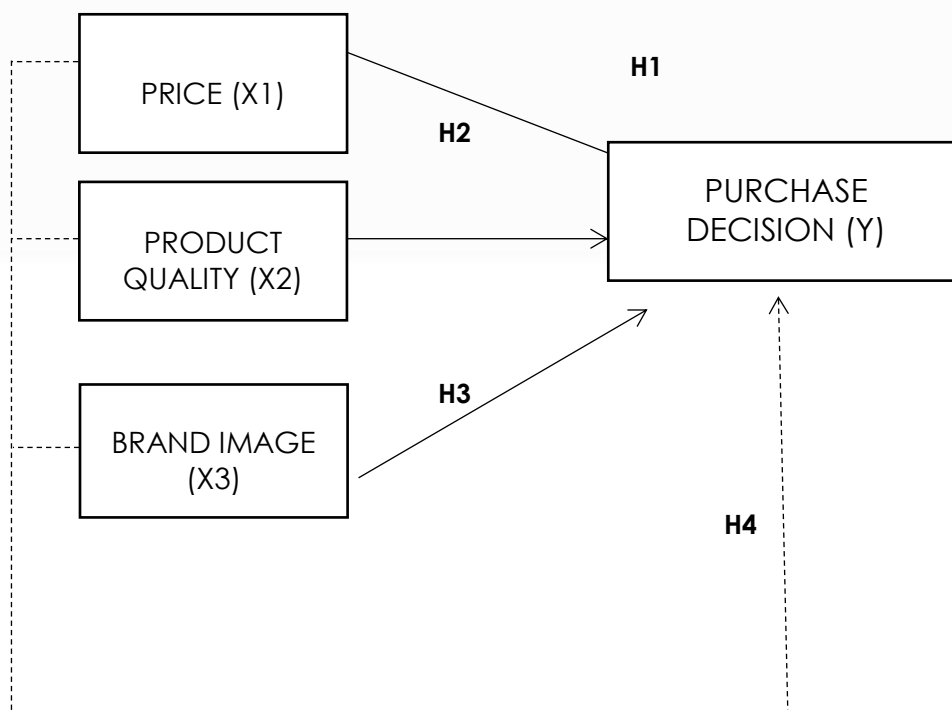
Effect of Product Quality (X2) on Purchase Decisions (Y)

Research conducted by Arwani (2021) reveals that product quality that is considered good by consumers will create purchasing decisions. The purchase decisions will be made when consumers have chosen a product that is suitable to meet their needs. From this statement, it can also be concluded that most consumers will look at the quality of the product for the price, brand, packaging, distribution, and promotion before making a purchase decision, so this shows that there is a relationship between product quality and purchasing decisions.

Effect of Brand Image (X3) on Purchase Decision (Y)

According to Putri and Nilowardono (2021) the dimensions of the brand image generated by consumers influence consumers' desire to buy and in conclusion makes purchasing decisions. From this statement, it can be concluded that the formation of a positive brand image for the product is very important so that purchasing opportunities for our products are greater, and consumers are likely to be easier to make purchasing decisions. Therefore, the impression or image shown by the product can also be a factor in increasing product sales.

Picture 1. Research Paradigm



Theoretical Framework

X1X2X3: Independent Variable

Y : Dependent Variable

—————→ : Line influence between Variable X on Variable Y (partially)

- - - - -→ : Line the influence between Variables X1, and X2 on Variable Y (simultaneously)

Based on the analytical framework above, it can be seen that there is an influence on the price variable (X1), product quality (X2), and brand image (X3) on purchasing decisions (Y) Ultra Milk UHT milk during the covid-19 pandemic.

Hypothesis

According to Mustahat (2021) the hypothesis is a temporary answer to the research problem formulation, where the research problem formulation has been stated in the form of questions.

H1: Product prices have a significant effect on purchasing decisions for ultra-Jaya UHT milk during the COVID-19 pandemic on consumers.

H2: Product quality has a positive effect on purchasing decisions for ultra-Jaya UHT milk during the COVID-19 pandemic on consumers.

H3: Brand Image has a significant effect on purchasing decisions for ultra-Jaya UHT milk during the COVID-19 pandemic on consumers.

H4: Price, product quality, and brand image have a significant effect on consumer purchasing decisions for UHT Ultra Jaya milk during the COVID-19 pandemic.

Research Methods

The method used in this research is the quantitative method. Quantitative research is research measuring the level of certain characteristics, the research method is essentially a scientific way to obtain data with certain goals and uses. Data collection was carried out in July 2021 using a questionnaire to obtain information on consumers who use PT Ultrajaya products. As a result, 97 respondents were ready to fill out the questionnaire.

Table 2.

Respondent Response Information on Price Variables (X1)

No	Statement	Total value	Average
	Price Affordability		
1	Ultra-Milk offers a variety of prices Price Competitiveness	400	4.12
2	Ultra-milk is cheaper than similar dairy products Price Match with Benefits	386	3.97
3	The price offered is by the benefits obtained Price Match with Quality	326	3.36
4	The price offered is the quality of the product	403	4.15
	AVERAGE AMOUNTS		15.6
	AVERAGE		3.9

* The results of the questionnaire

Table 3
Respondent Response Information on Product Quality (X2)

No	Statement	Total value	Average
	Performance		
1	Ultra dairy products have a delicious taste	422	4.35
2	The vitamin content in Ultra milk is sufficient for my needs	416	4.28
	Product Features		
3	Ultra-dairy products come in various sizes	429	4.42
4	Ultra-dairy products have many interesting flavors	410	4.22
	Reliability and Durability		
5	The Ultra Milk product packaging provides convenience in consumption	421	4.34
6	Ultra-Dairy products are durable and can be enjoyed anytime	417	4.29
	Characteristics		
7	Ultra-Dairy products have attractive and easily recognizable packaging	359	3.7
	Ethical Profile & Image		
8	Ultra-Dairy is my top choice product	422	4.35
9	Ultra-Milk Brand is easy for consumers to remember	362	3.73
	AVERAGE AMOUNTS		37.68
	AVERAGE		4.24

* The results of the questionnaire

Table 4
Respondent Response Information on Brand Image (X3)

No	Statement	Total value	Average
	Introduction		
1	Ultra-Dairy products are easily recognized by consumers	431	4.44
2	Ultra-Milk is easy to find in various places	437	4.5
	Reputation		
3	Ultra-dairy products provide good nutrition	445	4.58
	Attractiveness		
4	Has a diverse and interesting taste compared to similar dairy products	421	3.34
	Loyalty		
5	Ultra-Milk has always been my go-to product	361	3.72
	TOTAL AVERAGE		20.58
	AVERAGE		4,116

* The results of the questionnaire

Table 5

Respondent Response Information on Purchase Decision (Y)

No	Statement	Total value	Average
1	I bought Ultra milk because it's a quality product	409	4.21
2	I will continue to make repeat purchases of ultra-dairy products	401	4.13
3	I bought ultra-dairy products because they are easy to find	359	3.7
4	I still buy ultra-milk products compared to other types of milk	371	3.76
5	I bought Ultra Dairy products because I am concerned about my immunity during this pandemic	348	3.58
6	I buy ultra-dairy products because they are trusted products	367	3.78
7	I bought Ultra Dairy products because I am aware of the benefits for the body	390	4.02
AVERAGE AMOUNTS			27.18
AVERAGE			3.88

* The results of the questionnaire

Results and Discussion

Multiple Linear Regression Analysis

Table 6

Multiple Linear Regression Equation Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
		B	Std. Error			
1	(Constant)	1.104	1.255		.880	.381
	Price	.236	.109	.232	2,154	.034
	Product quality	.264	.078	.474	3.396	.001
	Brand Image	.115	.114	.131	1.014	.313

a. Dependent Variable: Purchase Decision

Source: SPSS 20.0

From the table above, the equation is obtained as follows:

$$Y = 1.104 + 0.236X^1 + 0.264X^2 + 0.115X^3$$

Correlation Coefficient Analysis

Table 7
Correlation Coefficient Analysis Correlations

		Price	Product quality	Brand Image	Buying decision
Price	Pearson Correlation	1	.795**	.756**	.708**
	Sig. (2-tailed)		.000	.000	.000
	N	97	97	97	97
Product quality	Pearson Correlation	.795**	1	.863**	.771**
	Sig. (2-tailed)	.000		.000	.000
	N	97	97	97	97
Brand Image	Pearson Correlation	.756**	.863**	1	.716**
	Sig. (2-tailed)	.000	.000		.000
	N	97	97	97	97
Decision Purchase	Pearson Correlation	.708**	.771**	.716**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	97	97	97	97

** . Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS 20.0

Analysis

- a. The relationship between variable prices (X1) on purchasing decisions (Y) is 0.708. With a strong score interpretation because it is in the interval 0.60 – 0.799.
 - b. The relationship between product quality (X2) on purchasing decisions (Y) is 0.771. With a strong score interpretation because it is in the interval 0.60 – 0.799.
 - c. The relationship between brand image (X3) on purchasing decisions (Y) is 0.716. With a strong score interpretation because it is in the interval 0.60 – 0.799.
- Meanwhile, determine the simultaneous relationship can be seen from the model summary table by looking at the R-value in the following table:

Table 8
Simultaneous Correlation Coefficient Analysis Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.790a	.624	.611	1.92378

- a. Predictors: (Constant), brand image, Price, Product Quality
- b. Dependent Variable: Purchase Decision

Source: SPSS 20.0

Based on the data above, it shows the R-Square value of 0.624, this means that 62.4% of the variation in the value of purchasing decisions is determined by the role of the variables of price, product quality and brand image. For the remaining 37.6% is influenced by other variables.

Analysis of the coefficient of determination

To calculate how much influence (contribution) is given through price (X1) on purchasing decisions (Y) partly can be seen through the coefficient of determination (Kd) which is 50.13%, which means that price (X1) affects purchasing decisions (Y) 50.13%. Then the coefficient of determining product quality (X2) on purchasing decisions (Y) is partially 59.44%, which means that price (X2) affects purchasing decisions (Y) on Ultra Milk by 59.44%. Then the influence of brand image (X3) on purchasing decisions (Y) partially is 51.27%, which means that brand image (X3) affects purchasing decisions (Y) on Ultra Milk by 51.27%. The simultaneous calculation becomes a calculation of how much influence (contribution) is given by price (X1), product quality (X2), and brand image (X3) on purchasing decisions (Y). Based on the results of SPSS output, the value of R square is 0.624 or 62.4%. While the remaining 37.6% is influenced by other variables not examined in this study.

Hypothesis testing

Hypothesis Testing as Partial Testing (t-test)

Table 9

Results of Partial Hypothesis Testing Variables Promotion and Price on Purchase Decisions Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.104	1.255		.880	.381
	Price	.236	.109	.232	2,154	.034
	Product quality	.264	.078	.474	3.396	.001
	Brand Image	.115	.114	.131	1.014	.313

a. Dependent Variable: Purchase Decision

Source: SPSS 20.0

Based on the data above, it can be concluded that:

1. Price (X1) = 2.154 > 0.05 means that there is no partial effect on the Purchase Decision (Y).
2. Product Quality (X2) = 3.396 > 0.05, meaning that there is no partial effect on Purchase Decision (Y).
3. Brand Image (X3) = 1.014 > 0.05, meaning that there is a partial influence on the Purchase Decision (Y).

Table 10

Hypothesis Test Results for Price (X1), Product Quality (X2), and Brand Image (X3) on Purchase Decisions ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	570.310	3	190.103	51,367	.000b
	Residual	344.185	93	3,701		
	Total	914,495	96			

a. Dependent Variable: Purchase Decision

b. Predictors: (Constant), brand image, Price, Product Quality

Source: SPSS 20.0

Conclusion

Based on the research and discussion that has been done, it can be concluded as follows:

1. Price has a positive and significant effect on purchasing decisions. Because the price offered is considered comparable to the benefits obtained by consumers and also the quality of products obtained by consumers. This means that the price of ultra-milk products affects purchasing decisions as much as 50.13%, according to the results of a survey conducted by researchers. And also, this can affect consumers in giving value to a product, which value relates to good and bad product quality.
2. Product quality has a positive and significant effect on purchasing decisions. Because most consumers will look at the quality of the product from the price, brand, packaging, distribution, and promotion before making a purchase decision, Related to this, the quality of the product provided by Ultra Milk is considered good and has many variants to cover a wider and more general target market And in addition to its varied taste, packaging and brands of ultra-milk that is easy to remember and have distinctive characteristics have been proven to have an effect on purchasing decisions as much as 59.44%, as evidenced by the results of a survey conducted by researchers.
3. Brand image has a positive effect on purchasing decisions. Because the formation of a positive brand image for the product is very important so that purchasing opportunities for our products are greater, and consumers are likely to find it easier to make purchasing decisions. Therefore, the impression or image shown by the product can also be a factor in increasing product sales, and the Brand Image of ultra-milk, which is a health drink that has a delicious and attractive taste and contains vitamins that are good for the body is considered quite good and has an effect on health. Purchasing decisions of 51.27% as evidenced by the results of a survey conducted by researchers. Based on research that has been done by researchers where price, product quality, and brand image have an effect of 62.4% on purchasing decisions for Ultra Milk products during a pandemic like this while 37.6% are influenced by other variables not tested in this study.

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