

**Model of Purchase Decision: Product Quality, Price, Promotion and Brand Awareness (Case Study of Teh Botol Sosro Products at Giant Mall Permata Tangerang)****Hapzi Ali<sup>1\*</sup>, Khilyatin Ikhsani<sup>2</sup>**<sup>1</sup>Lecturer of Magister Management Program, University of Mercu Buana (UMB), Jalan Meruya Selatan No. 1, Meruya Selatan, Kembangan, Jakarta Barat, Daerah Khusus Ibukota Jakarta 11650, Indonesia<sup>2</sup>Student of Magister Management Program, Universitas Mercu Buana (UMB), Jalan Meruya Selatan No. 1, Meruya Selatan, Kembangan, Jakarta Barat, Daerah Khusus Ibukota Jakarta 11650, Indonesia**\*Corresponding author**  
*Hapzi Ali***Article History***Received: 01.07.2018**Accepted: 13.07.2018**Published: 30.07.2018***DOI:**

10.21276/sb.2018.4.7.8



**Abstract:** *Teh Botol Sosro*, produced by PT. Sinar Sosro, is the first brand of ready-to-drink tea in Indonesia that has been developed and maintained for decades. The number of competitors make *Teh Botol Sosro* remains firm in fighting in the ready to drink tea market. This study aims to analyze the effect of product quality on partial purchase decisions, price on partial purchase decisions, promotion on partial purchase decision, brand awareness on partial purchase decisions, and product quality, price, promotion and brand awareness simultaneously. The population of this research is visitor of Giant Mall Permata Tangerang. While the sample is the respondents who buy *Teh Botol Sosro*. The average visitor who bought *Teh Botol Sosro* at Giant Mall Permata Tangerang was 1,200. Thus obtained respondents to be observed with the Slovin formula is 100 respondents. Quantitative analysis method using multiple linear regression analysis, followed by determination analysis (R Square), partial hypothesis testing (t test) and simultaneous (F test) with alpha 5 percent (0,05). Prior to further analysis, data quality and classical assumption test are done. Analytical tool using SPSS version 23.0 for windows. The result of this research shows that product quality has partially influence on Purchase Decision, price has partially influence on Purchase Decision, promotion has partially influence on Purchase Decision, brand awareness has partially influence on Purchase Decision, and product quality, price, promotion and brand awareness have simultaneously influence on Purchase Decision of *Teh Botol Sosro* product at Giant Mall Permata Tangerang. There are still other factors that affect the Purchase Decision, therefore it still needs further research.

**Keywords:** Product Quality, Price, Promotion, Brand Awareness, Purchase Decision.

**INTRODUCTION**

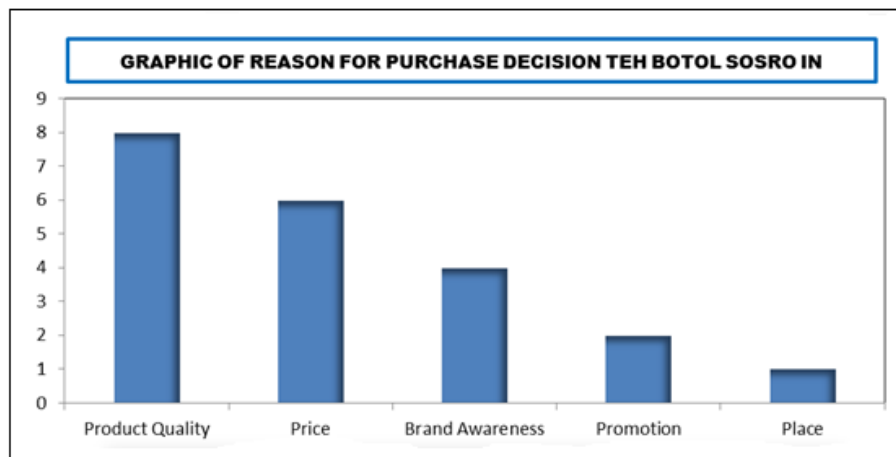
The most popular ready to drink type in Indonesia is the tea beverage. Ready to drink tea is one of the brilliant breakthroughs created to accompany people's lifestyles. The high demand of consuming ready to drink tea of Indonesian society cause many companies compete to join in this business.

The researcher conducted pre survey in Gebang Raya urban area of Tangerang City, to 20 people with accidental sampling technique about the reason for purchase decision *Teh Botol Sosro*. Researcher get result, that is as follows in Fig-1.

Figure-1 shows that based on the results of pre survey, product quality becomes the biggest reason consumers make purchase decisions of *Teh Botol*

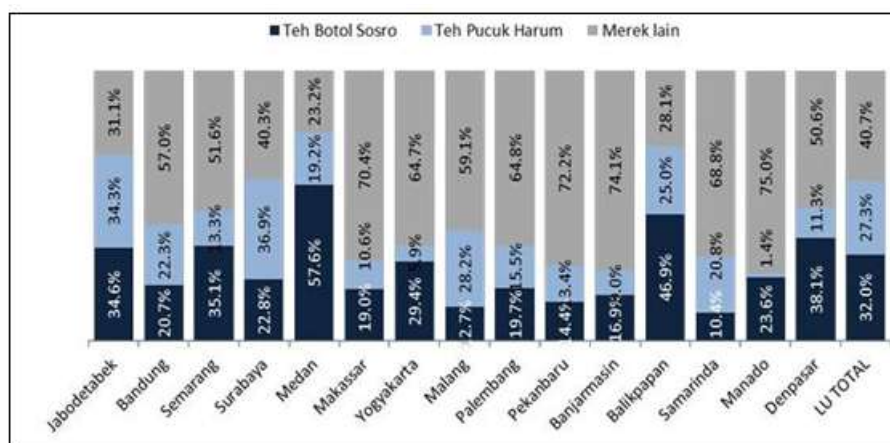
*Sosro* selected by 8 respondents. Furthermore, the price factor chosen by 6 respondents, the third largest is Brand Awareness is selected by 4 respondents, and the fourth largest is due to promotion factors. In other words, the four main factors are the factors that influence the consumers in Gebang Raya region in making purchase decisions with *Teh Botol Sosro*.

Now as time goes by, there are various brands of ready-to-drink tea in the market. Competitor products are highly increasing. The emergence of new brands increasingly tightened competition among existing brands, both local and foreign brands. Various brands of ready-to-drink tea in the market cause consumers increasingly selective in choosing products to be consumed.



**Fig-1: Graphic of pre survey the reason for purchase decision Teh Botol Sosro**

Source: pre survey of researcher in Gebang Raya



**Fig-2: Graphic Percentage of market share of Teh Botol Sosro 2016**

Source: <http://www.topbrand-award.com>, 2016

Figure-2 shows that another brand of ready to drink tea is able to take market share of Teh Botol Sosro, like one brand that is able to take a lot of market share of *Teh Botol Sosro*, which is *Teh Pucuk Harum*. Last usage (LU) Total market share of *Teh Pucuk Harum* of 27.0% in 2016, this brand is competing with Teh Botol Sosro in Jabodetabek, Bandung, Makassar, Palembang, Pekanbaru and Banjarmasin because it has index gap less than 10.0% market

leader Teh Botol Sosro. The market of ready-to-drink tea products with various brands from various manufacturers influences the sale of Teh Botol Sosro.

Price is one of the affecting factor of purchase decision. Consumers will be faced by the various prices of ready to drink products in the market. The following is the selling price data of RTD Tea products at Giant Mall Permata Tangerang:

Product	Price per Pc (Rp)	Volume (ml)	Price Per ml (Rp)
Teh Botol Sosro	5,400	450	12
Teh Pucuk Harum	4,250	360	12
Teh Gelas	3,200	350	9
Ultra Teh Kotak	6,950	500	14
Fretea	4,000	350	11

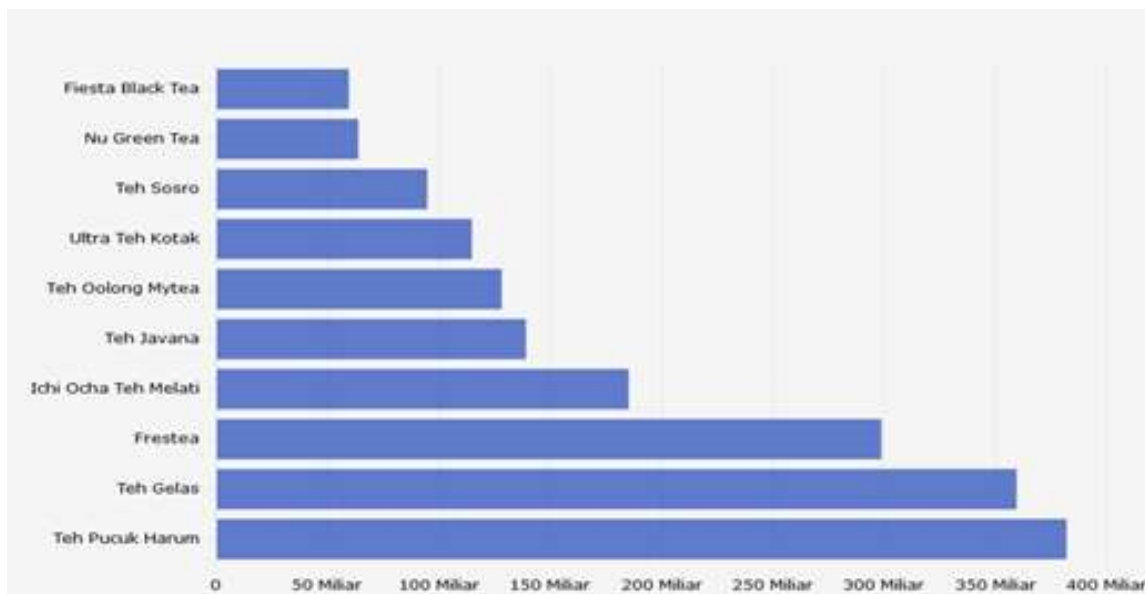
**Fig-3: The selling price data of RTD tea products at Giant Mall Permata Tangerang Kota period 2016**

Source: survey data of researchers, December 2016

Based on figure-3, data of selling price of ready to drink tea, can be seen price per ml of this category products. Price per ml Teh Gelas 9 Rupiah and Frestea 11 Rupiah is cheaper than the price per ml of Teh Botol Sosro. Teh Pucuk Harum competes with the same price per ml 12 Rupiah with Teh Botol Sosro. And Ultra Teh Kotak sells more expensive, with price difference 2 Rupiah per ml, that is 14 Rupiah per ml. The price difference among brands of ready-to-drink tea in the market do not have much difference, as each brand sets a competitive price. This data

reflects the extremely tight price competition in today's RTD tea products. Pricing is also an indicator of the quality of a product.

Executive Director of Media Business Nielsen Indonesia, Hellen Katherin said that the advertising expenditures of ready to drink tea products according to the graphic below. In order to win the market, the manufacturers of ready to drink tea willingly poured funds up to hundreds of billions for the products to be known by public.

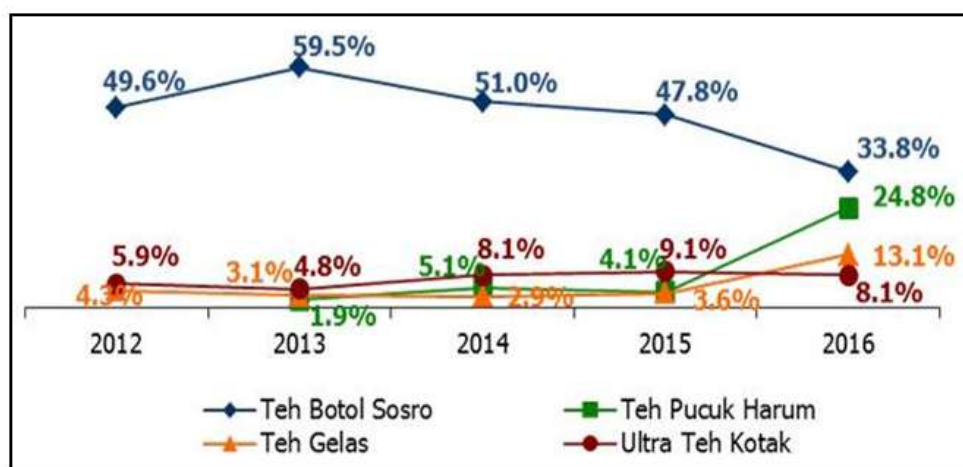


**Fig-4: The advertising expenditures of ready to drink tea products advertisement**

Source: //databoks.katadata.co.id/datapublish/2017/02/04/perang-iklan-minuman-teh-package. Access: November 26, 2017

Based on figure-4, Teh Botol Sosro is one of the lowest cost promotional brands after Fiesta Black Tea and Nu Green Tea compared to other ready to drink tea brands that do large advertising expenditures to make their brand widely known by the public. And the highest cost promotional brand is Teh Pucuk Harum.

In addition to product quality, price and promotion, one thing that can affect the purchase decision is brand awareness. There are many brands of ready-to-drink tea drinks that operate in Indonesia, whether it is ready to drink tea in bottles or in carton, cup or glass packaging.



**Fig- 5: Top Brand Index (TBI) year 2012 - 2016 for RTD tea category**

Source: Website Top Brand Award (2016)

Figure-5 shows Teh Botol Sosro brand remains the most popular by consumers. However, in the last four years Teh Botol Sosro has not improved, and it has declined. The decline occurred in 2014 until 2016. The value of TB Teh Botol Sosro in 2013 was 59.5% and then decreased to 51% in 2014. The decline occurred again in 2015 to 47.8% and in 2016 there was a significant decrease to 33.8%. The decline in brand value illustrates the

declining value of brand awareness owned by The Botol Sosro. The decline in brand value is expected to impact consumer purchase decisions.

Pre survey conducted by researcher in Kelurahan Gebang Raya Tangerang, to 20 people with accidental sampling technique about purchase decision ready to drink tea brands. Researcher get result, that is as follows:



**Fig- 6: Graphic of Purchase Decision For Ready to Drink Tea Brands in Gebang Raya Area**

Source: survey data of researcher, 2016

Based on figure-6, the results of pre survey shows that many respondents chose Teh Pucuk Harum. While Teh Botol Sosro as a market leader in this category in the second grade after Teh Pucuk Harum. Other respondents chose 3 brands of ready to drink tea. This indicates that the decrease in brand awareness of respondents to Teh Botol Sosro products. And the emergence of a new brand that can replace consumers' brand awareness of purchase decision of tea in ready-to-drink tea.

Based on the data observation consumers of Teh Botol Sosro, the phenomena related to product quality, price, promotion, and brand awareness issues can be identified as follows: 1) Product quality, The market share of Teh Botol Sosro has been taken with the new brand of other ready to drink tea brand. This demonstrates strict competition in terms of product quality; 2) Price, Competitive price competition in ready to drink tea category. Where the price difference between brands of ready-to-drink tea in the market do not have much difference, 3) Promotion, The low cost of Teh Botol Sosro promotion causes many other brands known better by the customer than Teh Botol Sosro to the public, 4) Brand Awareness, Decrease of percentage index on points obtained for brand image of Teh Botol Sosro in accordance with research conducted by Top Brand Awards Year 2016. 5) Purchase Decision, The emergence of a new brand that is able to

influence consumer purchase decisions to buy Teh Botol Sosro.

This research is focused on explaining the factors influence purchase decisions of Teh Botol Sosro products at Giant Mall Permata Tangerang. The study was conducted at Giant Mall Permata Tangerang with the reason that this area is a densely populated area in Tangerang City, with a high consumptive level.

Based on the background and problems, the objectives of this research are:

- Analyze the effect of Product Quality on purchasing decisions partially.
- Analyze the effect of Price on purchasing decisions partially.
- Analyze the effect of Promotion Quality on purchasing decisions partially.
- Analyze the effect of Brand Awareness on purchasing decisions partially.
- Analyze the influence of Product Quality, Price, Promotion and Brand Awareness on purchasing decisions simultaneously.

## LITERATURE REVIEW

### Purchase Decision

Kotler [1], purchase decisions are actions of consumers that want to buy or not to the product. According to Kotler [2] the indicator of the purchase decision process is: the goal in buying a product,

processing information to get to the selection of brands, stability on a product, give recommendations to others, and repurchase.

Tjiptono [3] purchase decisions are a process whereby a consumer knows the problem, searches for information about a particular product or brand and evaluates how well each alternative solves the problem, which then leads to a purchase decision. Purchase decision of a product is a process of all stages in the consumer purchasing process. Consumer decisions are determined based on consumers' perceptions of the product. There are 5 roles in purchasing, Tjiptono initiator, influencer, decider, buyer, and user [3].

The purchase decision by Kotler and Keller [4] is the consumer's decision to purchase after evaluating several factors such as the brand, the purchase location, the amount to be purchased, the time of purchase, and the means of payment that can be made.

The dimensions of the purchasing decision variable used in this study are based on a theory study by Kotler and Keller [5], product selection, brand selection, purchase channel selection, purchase time, and purchase amount.

### **Product quality**

Kotler and Keller in the research journal Hapzi Ali *et al.*, [6], product quality is the ability of a product to deliver performance results that match or even exceed what customers expect. There are nine dimensions of product quality according to Kotler and Keller [7], are as follows: form, feature, performance quality, durability, realibility style, design.

In line with the theory, in the research journal Hapzi Ali and Rizza Anggita [8], product quality is a product characteristic in the ability to meet the needs that have been determined and latent. This product is defined as anything that can be offered to the market to gain attention, expertise, usefulness, or consumption that meets the wants or needs.

According to Philip Kotler [9] explains one of the main values that customers expect from suppliers is the high quality of products and services. So from the statement can be stated that the quality of the product can affect consumers in deciding to obtain the product.

Tjiptono cited in the research journal Hapzi Ali *et al.*, [8] which reflects the quality of all dimensions of product offerings that generate benefits for customers. There are eight dimensions of product quality that are considered as attributes of an item evaluated by consumers and will be used in this

research, namely: product performance, product features, reliabilities, conformance, durability, service ability, aesthetics, fit and finish.

### **Price**

Price in the research journal Hapzi Ali *et al.*, [8] is one of the critical success factors of a company because the price determines how much profit the company will earn from the sale of its products in the form of goods or services. Setting very high price will cause failure sales, but if the price is very low will reduce the benefits to be gained by the organization. Price dimension according to Gitosudarmo in the research journal Hapzi Ali *et al.*, [8] this theory includes: price cuts, price conformity with product quality.

Hermawan Kertajaya in Hapzi Ali and Rizza Anggita [8] added that cheap prices do not guarantee the product will be sold but the price is very expensive will cause consumers feel cheated if not in accordance with the perceived value available. The price dimension in this theory consists of: price based on perceived value, and price at current prices.

According to Kotler and Armstrong [10], prices is defined as something that is given or sacrificed to obtain a service or product. Price from marketing point of view is monetary unit or other measure (including other goods and services) exchanged in order to obtain the right of ownership or use of goods and services. From the point of view of the customer, the price is often used as an indicator of value when the price is associated with perceived benefits of a good and a service.

Kotler and Armstrong [14], the price dimension includes the following items and will be used in this study, namely: affordability, price conformity with product quality, competitive prices, and price compliance with benefits.

### **Promotion**

Promotion by Kotler [11], is a variety of activities conducted between companies and customer to communicate the benefits of its products and to convince target consumers to buy it. According to Tjiptono [12]. In essence promotion is a form of marketing communication. What is meant by marketing communications is a marketing activity that seeks to disseminate information, influence or persuade, and remind the target market of the company and its products to be willing to accept, buy, and loyal to the product offered by the company concerned.

Promotion is an element used to inform and persuade a market about a new product or service to the company through advertising, personal sales, sales



promotions, and publications, Kotler and Armstrong [13] Dimensions of promotion According to Kotler and Armstrong [14], are: advertising, personal sales, sales promotion, direct marketing, and public relations.

### Brand awareness

Aaker [15], defines brand awareness is the ability of potential consumers to recognize or remember that a brand belongs to a particular product category. Aaker has broken the brand awareness into two dimensions: brand recall and brand recognition [15].

According to Durianto [16] brand awareness describes the existence of the brand in the minds of consumers, who can be a determinant in several categories. Durianto, argued that the dimensions of consumer awareness of a brand as follows: Informative, Information related to brand, Jingle, Symbol, Expanse, Strengthen, Top of Mind [16].

Brand awareness is related to the power of brand recognition or imprinting on the memory, as illustrated by the consumer's ability to recognize brand under different conditions, Sitinjak [17].

Brand Awarenesss require continuum ranging from uncertain feelings that certain brands have been known before, so consumers are confident that the product is the only brand in a product group [18].

Dimension Brand Awareness by Sitinjak [17] described the way of value creation as follows, how brand awareness works to help the brand can be explained by how brand awareness creates a value. Then the dimensions of brand awareness are as follows: Anchor to which other association can be attacked, Familiarity-linking, Substance / commitment, Brand to consider.

### Conceptual Framework

Many studies have suggested that product quality influence on purchasing decisions, including research conducted by Deebhijarn, Samart [19], Fatlahah, Aniek [20], Ackaradejruangsri, Pajaree [21], and Ismayanti [22], where the results showed that quality of the product has positive and significant effect on purchase decisions.

While research on the influence of price on purchase decision is done by Ali, Hapzi, Anggita, Rizza, Camelia, Savira Bintang, Suryoko, Sri [23], Kuawiriyapa, Sirijanyan [24], and Hustić, Ivana; Gregure, Iva [25]. Where the results of this research shows that price has positive and significant influence on purchasing decisions.

Promotion influence on purchase decision as the previous research of: Oladepo, Isaac; Abimbola, Samuel [26], Sagala, Christina *et al.*, (2014) [27], Hafiz, Putra *et al.*, [28], and Yamoah, Fred [29]. Where the results of this research shows that promotion has positive and significant influence on purchasing decisions.

Brand Awareness influence on purchase decision as the previous research of: Permana Ambolau, Muhammad Arie *et al.*, [30], Rahdini, Mentari *et al.*, [31], and Quansah, Fidelis [32]. Where the results of this research show that brand awareness has positive and significant influence on purchasing decisions.

Based on the above explanation of the flow of thinking between research variables with reference to the results of previous research and expert opinion, it can be described through the framework of research models such as Figure below:

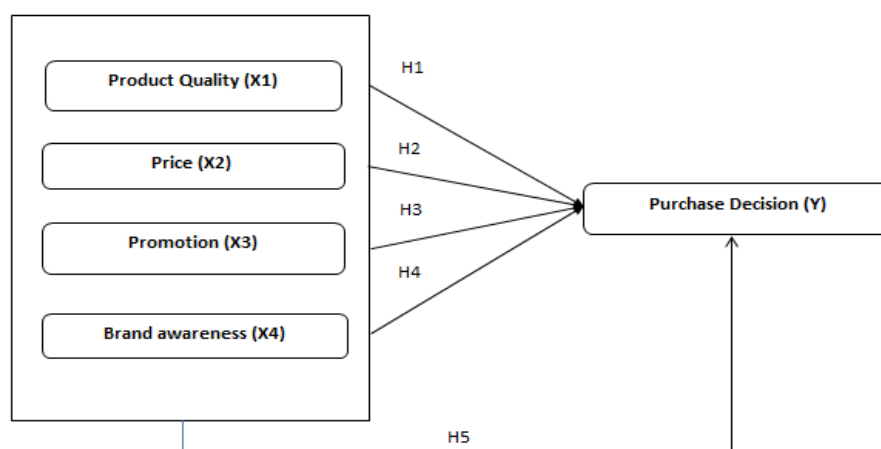


Fig-7: Conceptual Framework

### Research Hypothesis

Pursuant to research purpose hence this research hypothesis are:

- H1. Product quality effects purchase decisions partially.
- H2. Price effects purchase decisions partially.
- H3. Promotion effects purchase decisions partially.
- H4. Brand Awareness effects purchase decisions partially.
- H5. Product quality, price, promotion and brand awareness effect purchase decisions simultaneously.

### METHODS

This research was conducted at Giant Mall Permata Tangerang. The population of this research are visitors of Giant Mall Permata Tangerang and the sample is the respondents who buy Teh Botol Sosro. The average visitor who bought Teh Botol Sosro at Giant Mall Permata Tangerang was 1,200. Thus obtained respondents to be observed with Slovin formula with rounding obtained the number of samples of 100 samples. The sampling technique in the research using accidental sampling method but still meet the criteria that have been determined. The sampling technique is purposive sampling, while the criteria for the respondents in this study, among others ; age of respondents > 17 years, the minimum limit to be a consumer of Teh Botol Sosro is 6 months, has healthy body and not pregnant women.

This study uses multiple linear regression analysis, the equation =  $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$ , where Y is the purchase decision variable,  $\beta_1$ ,  $\beta_2$ ,  $\beta_3$ , dan  $\beta_4$  variable coefficient product quality (X1), price (X2), promotion (X3), and brand awareness (X4). SPSS version 23.0 program data analysis tool. Then the analysis is continued with analysis of determination analysis test (R Square), partial hypothesis testing (t test) and simultaneous (F test) with 5 percent error tolerance level.

### RESULT AND DISCUSSION

#### Respondents answer

Based on the respondent's answer can be given the description related to the variables that focus the discussion. Where the description can be described as follows.

- Based on score and percentage of total contribution for Product quality variable can give description that score enter in very high category. The explanation from the respondent's assessment can be seen that the condition or state of the product quality of Teh Botol Sosro is good.
- Based on score and percentage of total contribution for Price variable can give description that score enter in very high category. The explanation of respondent's assessment can be seen that the condition of Price of Teh Botol Sosro is good.
- Based on score and percentage of total contribution for Promotion variable can give description that score enter in very high category. The explanation of respondent's assessment can be seen that the condition of Promotion of Teh Botol Sosro is good.
- Based on the score and percentage of total contribution for Brand awareness variable can give description that the score of Brand awareness is in very high category. What explains from the assessment of respondents can be seen that the condition of brand awareness of Teh Botol Sosro is good.
- Based on the score and percentage of total contribution for Purchase decision variable can give description that the score of Purchase Decision is in very high category. Which explains that the respondent's assessment can be seen that Purchase decision are on the criteria is good.

#### Multiple linear regression analysis

Multiple linear regression analysis is used to test the partial and simultaneous hypothesis of independent variables on the dependent variable. Based on multiple linear regression coefficient with SPSS 23.0 program obtained result as Table 1 below:

Table-1: Coefficients

Model	Unstandardized Coefficients	
	B	Std. Error
(Constant)	15,715	4,663
PRODUCT QUALITY	0,027	0,055
PRICE	0,446	0,097
PROMOTION	0,231	0,099
BRAND AWARENESS	0,098	0,109
a. Dependent Variable: PURCHASE DECISION		

From Table-1 above we get the result of multiple linear regression equation:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e = 15,715 + 0,027.X_1 + 0,446.X_2 + 0,231.X_3 + 0,098 + e.$$

Description: Y= Purchase decision; X1 = Product quality, X2 = Price, X3 = Promotion, X4 = Brand awareness.

From this equation can be interpreted: 1) variable of product quality, price, promotion, and brand awareness have positive coefficient direction to purchase decision; 2) Constant value shows the effect of variables X1, X2, X3 & X4 when the variable X1 one unit will affect one unit in variable Y

### Result of Determination Analysis (R2)

To see contribution of product quality (X1), price (X2), promotion (X3), brand awareness

(X4) variable to purchase decision can be seen from coefficient of determination value R2 as seen in the following Table-2:

**Table-2: Model Summary**

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.720 <sup>a</sup>	.519	.498	3.096
a. Predictors: (Constant), PRODUCT QUALITY, PRICE, PROMOTION, BRAND AWARENESS				
b. Dependent Variable: PURCHASE DECISION				

The R value of 0.720 shows the multiple correlation (product quality, price, promotion and brand awareness) with the purchase decision. Considering the variation of R Square value of 0.519 which indicates the role or contribution of product quality, price, promotion and brand awareness variables capable of explaining the decision variable of purchase equal to 51,9 percent and the remaining 48,1 percent influenced by other variables. Other variables or factors that may affect purchase decision include packaging positively affect purchase decisions both partially or simultaneously based on research Rahdini, Mentari *et al.*, [31], brand image has positive and significant influence on purchase decisions both partially or simultaneously in accordance with the research of Permana Ambolau, Muhammad Arie *et al.*, [30], distribution channels has positive and significant influence on purchase

decisions both partially or simultaneously in accordance with the research Kuawiriyapa, Sirijanyan [24], labels has positive and significant influence on purchase decisions both partially or simultaneously in accordance with research Amiruddin, Mohammad, etc [33].

### Partial Effect Test Result (t test) and Simultaneous Effect (Test F)

Hypothesis testing aims to explain the characteristics of particular relationships or differences between groups or the independence of two or more factors in a situation [34]. The partial effect test aims to test whether each independent variable significantly influences the partially bound variable with  $\alpha = 0.05$  and also the acceptance or rejection of the hypothesis. Partial test (t test) to answer hypotheses one and two of this study.

**Table-3: t Test Results (Partial)**

Model	t	Sig.
(Constant)	3,370	0,001
PRODUCT QUALITY	2,495	0,032
PRICE	4,592	0,000
PROMOTION	2,333	0,022
BRAND AWARENESS	2,900	0,040

To find out whether in the regression model independent variable (free) partially significant effect on the dependent variable (bound), it can be seen in the following way:

### H1: Product quality has significant effect on purchasing decision

Ho = Product quality variable has no significant effect on purchasing decision partially.

Ha = Product variable has significant effect on purchasing decision partially.

Based on table-3 above can be seen from product quality variable  $t_{count} 2,495 > t_{tabel} 1,98$  and significance level  $0,032 < 0,05$  or Ho rejected and Ha accepted, hence can be expressed partially variable of product quality variable have significant effect to purchase decision partially. This means that hypothesis 1 is accepted or proven.



**H2: Price has significant effect on purchasing decision**

Ho = Price variable has no significant effect on purchasing decision partially.

Ha = Price variable has significant effect on purchasing decision partially.

Based on table-3 above can be seen from price variable  $t_{count} 4.592 > t_{tabel} 1.98$  and significance level  $0.000 < 0.05$  or Ho rejected and Ha accepted, it can be expressed partially price variable has significant effect to purchase decision partially. This means that hypothesis 2 is accepted or proven.

**H3: Promotion has significant effect on purchasing decision**

Ho = Promotion variable has no significant effect on purchasing decision partially.

Ha = Promotion variable has significant effect on purchasing decision partially.

Based on table-3 above can be seen from Promotion variable  $t_{count} 2.333 > t_{table} 1.98$  and significant level  $0.022 < 0.05$  or Ho rejected and Ha accepted, it can be stated that promotion variable has

significant effect to purchase decision partially. This means hypothesis 3 is accepted or proven.

**H4: Brand awareness has significant effect on purchasing decisions**

Ho = Brand awareness variable has no significant effect on purchasing decision partially.

Ha = Brand awareness variable has significant effect on purchasing decision partially.

Based on Table-5 above can be seen from Brand awareness variable  $t_{arithmetic} 2.900 > t_{table} 1.98$  and significant level  $0.040 < 0.05$  or Ho rejected and Ha accepted, can be stated that promotion variable has significant effect to purchase decision partially. This means hypothesis 4 is accepted or proven.

**Simultaneous Test (F Test)**

To find out whether in the regression model independent variable (product quality, price, promotion and brand awareness) together on a dependent variable (purchase decision), then used F statistic test.

**Table-4: F Test Results (Simultaneous)**

ANOVA <sup>a</sup>						
	Model	Sum of Square	df	Mean Square	F	Sig.
1	Regression	981.354	4	245.338	25.600	.000 <sup>b</sup>
	Residual	910.436	95	9.584	-	-
	Total	1891.790	99	-	-	-
a. Dependent Variable: PURCHASE DECISION						
Predictors: (Constant), BRAND AWARENESS, PROMOTION, PRODUCT QUALITY, PRICE						

**H5: Product Quality, Price, Promotion and Brand Awareness together affect on purchasing decisions simultaneously**

Ho = Variables of product quality, price, promotion and brand awareness have no significant effect on purchasing decision simultaneously.

Ha = Variables of product quality, price, promotion and brand awareness have a significant effect on purchasing decision simultaneously.

Based on table-4 above in column F we get F count 25,600, in Sig column is probability or significant value 0.000 or 0% significance. F table value for significance level ( $\alpha$ ) = 5% two tailed with sample 100 obtained by numerator df using  $k-1$  or the number of variables minus 1 df numerator  $4-1 = 3$ , and df denominator using  $nk$  or number of samples minus the number of variables df denominator  $100-4 = 96$  then obtained F table is 2.70. Assessment based on the

F test: if F count  $>$  F table then Ho is rejected means significant, from the results of the above analysis is  $25,600 > 2.70$  then Ho rejected means significant.

Based on the probability: if  $< 0.05$  then Ho is rejected, the analysis result is  $0.000 < 0.05$  means Ho is rejected and Ha accepted. Thus it can be concluded that product quality, price, promotion and brand awareness simultaneously have significant influence on purchasing decisions. This means hypothesis 5 is accepted or proven.

**Inter-Dimension Correlation Analysis**

Inter-Dimensional Correlation Analysis is used to find a strong relationship between the dimensions of independent variables with dependent variable, the dimension correlation matrix required between the variables that can be seen in Table-5 as follows:

**Table-5: Matrix Inter-Dimensional Correlation Analysis**

Variable / Dimension			Y (Purchase Decision)				
			Y1.1 Product Selection	Y1.2 Brand Selection	Y1.3 Purchase Channel Selection	Y1.4 Purchase Time	Y1.5 Number of Purchases
X1 (Product Quality)							
X1.1 Product Performance	.249*	.631*	.233*	.266**	.289**		
X1.2 Product Features	0.105	0.154	0.057	0.065	0.162		
X1.3 Reliabilities	0.182	.198*	0.176	0.147	.269**		
X1.4 Conformance	0.148	0.071	0.059	0.060	0.147		
X1.5 Durability	0.096	0.150	0.115	0.080	0.046		
X1.6 Service Ability	.264**	0.004	0.115	.310**	0.101		
X1.7 Aesthetic	0.126	.244*	0.046	0.139	0.147		
X1.8 <i>Fit and Finish</i>	0.158	0.094	.245*	0.049	0.120		
X2 (Price)							
X2.1 Affordability	.467**	.370**	.265**	.480**	.256*		
X2.2 Price Conformity with Product Quality	.306**	.298**	0.007	.783**	.208*		
X2.3 Competitive Prices	0.154	.225*	.264**	.396**	.198*		
X2.4 Price Compliance with Benefit	.411**	.484**	.278**	.532**	.336**		
X3 (Promotion)							
X3.1 Advertising	0.075	0.137	0.009	0.179	0.049		
X3.2 Personal Sales	0.152	0.195	0.145	0.184	0.155		
X3.3 Sales Promotion	0.031	0.134	0.030	0.178	0.176		
X3.4 Direct Marketing	0.105	0.069	.215*	.222*	0.102		
X3.5 Public Relations	.517**	.535**	0.177	.858**	.469**		
X4 (Brand awareness)							
X4.1 Anchor	0.080	0.162	0.167	0.002	0.055		
X4.2 Familiarty linking	0.163	0.179	.209*	0.132	0.129		
X4.3 Substance / commitment	.281**	.252*	.282**	0.056	0.083		
X4.4 Brand to consider	0.154	0.874	.324**	0.008	0.119		

The result of Inter dimension Correlation Analysis made in table-5 as follows:

#### **Product Quality Correlation with Purchase Decision**

In the table explains that the results of the strongest dimension correlation test with strong level of relationship is indicated by dimensions of product performance with brand selection dimension is 0.631. While the relationship level is very weak indicated by serviceability dimension with brand selection dimension is 0,004.

#### **Price Correlation with Purchase Decision**

In the table explains that the results of the strongest dimension correlation test with strong level of relationship is indicated by dimension of price conformance with product quality with the dimension of time of purchase is 0.783. While the level of relationship is very weak indicated by the dimension

of price conformance with product quality with purchasing channel dimension is 0.007.

#### **Promotion Correlation with Purchase Decision**

In the table explains that the results of the strongest dimension correlation test with a very strong level of relationship is indicated by dimension of public relations with the dimension of purchase time is 0.858. While the level of relationship is very weak indicated by the dimension of advertising with the dimension of purchasing channel selection is 0.009.

#### **Brand awareness correlation with Purchase Decision**

The table explains that the strongest dimension correlation test results with a very strong level of relationship is indicated by brand dimension for consideration with selection of 0874 brands. While the level of relationship is very weak

indicated by the anchor dimension with the dimension of the purchase time is 0.002.

## FINDINGS & DISCUSSION

Based on the result, these are some discussions:

### The effect of product quality variables on purchasing decisions

Based on Table 7 above the product performance dimension on product quality variables (X1) has the strongest relationship with strong relationship level, with brand selection dimension on purchase decision variable (Y). This is in accordance with the theory put forward by Kotler and Keller that the quality of the product is the ability of a product to deliver performance results that match or even exceed what consumers expect so that an effect on purchasing decisions. If the performance of the product matches the quality of the product offered by the manufacturer, then the consumer will drop the choice on the brand that provides good product quality. This affects consumer purchase decisions on brands based on the comparison of some brands in the category of ready-to-drink tea.

While dimensions that has very weak relationship that is service ability dimension to the dimension of brand selection. This shows that lack of availability of consumer services on the Teh Botol Sosro brand makes it one of the consumers' considerations for not making a purchase decision on Teh Botol Sosro brand. Consumer complaints service becomes a media of communication between producers and consumers. Consumer services can be customer service or social media, which can accommodate consumer complaints. So that consumers feel comfort in consuming brands offered in the market.

The dimensions of product quality variables, namely; product performance, product features, reliabilities, conformance, durability, service ability, aesthetics, and fit and finish. While the purchasing decision dimensions include; product selection, brand selection, purchase channel selection, purchase time, and purchase amount.

The results of this study are in accordance with the results of previous research conducted by Deebhijarn, Samart [19], where the results showed that product quality has a positive and significant influence on purchasing decisions. In addition Fatlahah, Aniek [20] also said that the quality of the product affect the purchase decision. In line with that according to Ackaradejruangsri, Pajaree [21], product quality has a direct impact on purchasing decisions. From the above result shows that Product quality affects purchasing decisions because good product quality will affect customer purchase order.

### The effect of price variables on purchasing decisions

Based on Table-7 above the price conformity dimension with product quality on the price variable (X2) has the strongest relationship with strong relationship level, with the dimension of time of purchase on purchase decision variable (Y). This is in accordance with the theory put forward by Kotler and Armstrong [14], the price is defined as something given or sacrificed to obtain services or products.

Price from marketing point of view is monetary unit or other measure (including other goods and services) exchanged in order to obtain the right of ownership or use of goods and services. From the point of view of the customer, the price is often used as an indicator of value when the price is related to the quality of goods and services. If the quality given in accordance with the price offered to consumers, it can affect the frequency of consumer purchases of a product brand. Conversely, if the consumer feels the price offered does not match the quality, then the consumer will only make purchases once or twice purchase and choose other brands that match the price with quality.

While the dimension of price conformity with product quality on price variables has very weak relationship with purchase channel selection dimension on variable purchase decision. This shows that consumers already feel that the price of Teh Botol Sosro is in accordance with the quality provided but consumers are still difficulty in buying Teh Botol Sosro due to purchasing channels that have not approached the location of residence or place of consumer activity. Teh Botol Sosro purchasing channels are still widely marketed in retail and restaurant companies, but have not reached the stalls near the location of consumers so that this affects consumer purchasing decisions against Teh Botol Sosro products. Consumers will buy tea brands in ready-to-drink packaging that they see when making a purchase at a location close to the consumer.

The dimensions of the price are; affordability, price conformity with product quality, competitive prices, and price compliance with benefits. While the dimensions of purchasing decisions, including; product selection, brand selection, purchase channel selection, purchase time, and purchase amount.

The results of this study are in accordance with some studies that say that there is a relationship between price to purchase decisions, among others; Kuawiriyapa, Sirijanyan [24], and Hustić, Ivana; Gregure, Iva [25] which explains that prices have an effect on purchasing decisions.

### **The effect of promotion variable on purchasing decisions**

Based on Table-7 above the dimension of public relations on promotion variables (X3) has a very strong relationship with the dimension of time of purchase on the purchase decision variable (Y). This is in accordance with the theory put forward by Tjiptono [12]. In essence promotion is a form of marketing communication. What is meant by marketing communications is a marketing activity that seeks to disseminate information, influence or persuade, and remind the target market of the company and its products to be willing to accept, buy, and loyal to the product offered by the company concerned. Good public relations activities from the company to the consumer can affect the frequency of purchase of Teh Botol Sosro. thus making consumers become more often buy even loyal to the brand of Teh Botol Sosro.

While the advertising dimension on promotion variable has very weak relation to purchasing channel selection dimension on decision purchase variable. This shows that when consumers see Teh Botol Sosro commercial and want to buy the brand, but it is difficult to reach from residential location or place of consumer activity. Thus, consumers are choosing a brand of tea in other ready-to- drink that consumers can easily reach. Less widespread purchase channels from Teh Botol Sosro brand can influence consumer purchase decisions.

The dimensions of the promotion are; advertising, personal sales, sales promotion, direct marketing, and public relations. While the dimensions of purchasing decisions, including; product selection, brand selection, purchase channel selection, purchase time, and purchase amount.

The results of this study are in accordance with several studies that say that there is a relationship between promotion and purchasing decisions, among others; Oladepo, Isaac; Abimbola, Samuel [26], Sagala, Christina *et al.*, [27], Hafiz, Son *et al.*, [28], and Yamoah, Fred [29] explaining that promotions affects on purchasing decisions.

### **Influence of brand awareness variable to purchase decision**

Based on Table-7 above brand to consider dimension on the variable brand awareness (X4) has the strongest relationship with the brand selection dimension on the purchase decision variable (Y). This is in accordance with the theory of Sitinjak [17] described the way of value creation as follows, how brand awareness works to help the brand can be explained by how brand awareness creates a value.

The first step in a buying process is to select

from a group of brands known to consider which brand decide to buy. Brand that has a high top of mind has a high value. If a brand is not stored in the memory, the brand is not considered in the consumer's mind. This shows that Teh Botol Sosro brand becomes a brand considered by consumers when making purchasing decisions because Teh Botol Sosro brand is already in the minds of consumers and a top of mind brand compared to other brands in the category of ready-to-drink tea products.

While dimensions that have very weak relationship between the anchor dimension on the variable brand awareness to the dimension of time of purchase on the variable purchase decision. This shows that Teh Botol Sosro has not become a brand that represents consumer interpretation for the memories of the tea category in ready-to-drink. Consumers still have some brands when mentioned categories of tea in ready-to-drink. This will affect the frequency of consumer purchases of Teh Botol Sosro brand. Because it can cause the tendency of consumers will more often buy tea in ready to drink with other brands.

The dimensions of brand awareness are; anchor to which other association can be attacked, familiarity-linking, substance / commitment, and brand to consider. While the dimensions of purchasing decisions, including; product selection, brand selection, purchase channel selection, purchase time, and purchase amount.

The results of this study are in line with the results of research conducted by Sagala, Christina, *et al.*, [27], concludes that there is a positive relationship between brand awareness and purchasing decisions. Research conducted by Permana Ambolau, Muhammad Arie *et al.*, [30], also explains that brand awareness affects purchasing decisions. This research is also in line with the results of research Rahdini, Mentari *et al.*, [30], and Quansah, Fidelis [32], where the results of research show brand awareness has positive and significant influence on purchasing decisions.

### **Influence variable quality of product, price, promotion and brand awareness to purchase decision**

Based on Table-7 above variable of product quality, price, promotion and brand awareness have effect on purchasing decision. This shows that if the quality of the products offered by Teh Botol Sosro is good, then the price offered in the market is in line with the quality, as well as the promotion of the company to the effective consumer plus the brand awareness of the society towards Teh Botol Sosro brand is also always in the memory, it affects consumers in evaluating several brands before making a purchase decision and dropping

the option to Teh Botol Sosro brand compared to other brands on the market with the same category of ready-to-drink tea.

The existence of the relationship of each dimension free to the purchasing decision dimension is very weak relationship until very strong relationship indicates the influence of variable of product quality, price, promotion and brand awareness to purchasing decision.

This is supported by previous research, Deebhijarn, Samart [19], Fatlahah, Aniek [20], Ali, Hapzi, Anggita, Rizza [8], Camelia, Savira Bintang, Suryoko, Sri [23], Oladepo, Isaac; Abimbola, Samuel [26], Sagala, Christina *et al.*, [27], Permana Ambolau, Muhammad Arie *et al.*, [30], Rahdini, Mentari *et al.*, [31], Quansah, Fidelis [32], etc.

## **CONSLUSSION AND SUGESTION CONCLUSION**

Based on the results and the conclusion of this research are:

- Product quality has significant effect on purchasing decision. To improve purchasing decisions through product quality, what should be done by the company is to improve product performance, product features, reliabilities, conformance, durability, service ability, aesthetics, and fit and finish. The better quality of the company's products will increase sales.
- Price has significant affects on purchasing decisions. To improve purchasing decisions through pricing, what the company should do is to increase affordability, price compliance with product quality, competitive prices, and price compliance with benefits. The better price competitiveness of the company will increase sales.
- Promotion has significant affects on purchasing decisions. To improve purchasing decisions through promotion, what the company should do is to increase advertising, personal sales, sales promotion, direct marketing, and public relations. The better company's promotion will increase sales.
- Brand awareness has significant affects on purchasing decisions. To improve purchasing decisions through brand awareness, what the company should do is to increase anchor to which other associations can be attacked, familiarity-linking, substance or commitment, and brand to consider. The better brand awareness generated by the company will increase sales.
- Product quality, price, promotion and brand awareness have significant effect on purchasing decision. This shows that if the quality of the products offered by Teh Botol Sosro is good, then the price offered in the market

is in line with the quality, as well as the promotion of the company to the effective consumer plus the brand awareness of the society towards Teh Botol Sosro brand is also always in the memory, it affects consumers in evaluating several brands before making a purchase decision and dropping the option to Teh Botol Sosro brand compared to other brands in the market with the same category of ready-to-drink tea.

## **Suggestion for the Company**

Based on data analysis, statistical calculation process, empirical research model test and discussion of the results of the study conducted, submitted some suggestions as follows:

- In terms of consumer service, the lack of availability of consumer services on Teh Botol Sosro brand makes one of the consumers' considerations for not making a purchase decision on Teh Botol Sosro brand. PT. Sinar Sosro should evaluate in terms of providing customer complaints services. To make it easier for consumers to convey complaints from Teh Botol Sosro products, thus providing trust and a sense of security to consumers in buying and consuming the brand Teh Botol Sosro.
- To improve purchasing decisions through product quality, PT. Sinar Sosro are advised to pay attention to some of the following, including; a) improve product performance; b) evaluate product features; c) maintain reliability; d) improve conformance; e) increase durability; f) improve aesthetics; g) improving serviceability ability; h) maintain fit and finish.
- Price compliance with quality has a very weak relationship to the selection of purchase channels on the purchase decision variable. This shows that Teh Botol Sosro is still not reachable by consumers when going to purchase tea in ready-to-drink. PT. Sinar Sosro must improve the distribution channel or purchase channel selection for consumers that is affordable from the location of residence or place of consumer activity. Because this can affect consumer buying decisions against Teh Botol Sosro brand.
- To improve the purchase decision through price, PT. Sinar Sosro are advised to pay attention to some of the following, including; a) evaluating affordability; b) pay attention to price conformity with product quality; c) enhance price competitiveness; d) pay attention to price conformity with benefits
- When consumers see Teh Botol Sosro commercial and want to buy the brand, but it is difficult to reach from residential location or place of consumer activity. Thus, consumers are choosing a brand of tea in other ready-to-drink that consumers can easily reach. Less widespread purchase channels from Teh Botol Sosro brand



can influence consumer purchase decisions. PT. Sinar Sosro must evaluate distribution channel or consumer purchase channel selection to Teh Botol Sosro product, so it can improve consumer purchase decision to this product.

- To improve purchasing decisions through promotion, PT. Sinar Sosro are advised to pay attention to some of the following, including; a) increase the frequency of advertising, b) increase personal sales, c) evaluate sales promotions, d) improve direct marketing, and e) improve public relations.
- PT. Sinar Sosro must maintain and make a breakthrough with innovations that fit with the times, so that the brand Teh Botol Sosro is still and will always be remembered when the first time consumers want to buy tea in ready-to-drink packaging. This may affect consumers in making purchasing decisions of Teh Botol Sosro brand selection and the frequency of repeat purchases.
- To improve purchasing decision through brand awareness, PT. Sinar Sosro are advised to pay attention to some of the following, including; a) increase the anchor of consumer brand awareness; b) increasing awareness of familiarity linking of Teh Botol Sosro products; c) maintain commitment PT. Sinar Sosro; d) raising brand to consider consumer awareness.
- To improve public purchasing decisions for Teh Botol Sosro products as a whole, PT. Sinar Sosro must continue to create the latest innovations or establish cooperation with outsiders and improve the good side of internal and external so it remains one company with tea products in ready-to-drink that has good quality products, with prices that match the quality, promotion appeals to consumers and becomes a brand that is always remembered by the community when it wants to make purchasing decisions in tea products ready to drink.

#### Suggestion for Next Research

These are the suggestion for the next research:

- To compare and strengthen the theory among the variables studied, it is necessary to conduct research or review in locations selling large quantities of Teh Botol Sosro or in densely populated locations with high consumptive cultures for ready-to-drink tea products.
- It should be studied more deeply in other variables that significantly influence the purchase decision of Teh Botol Sosro at Giant Mall Permata. So that can be arranged another model in problem solving related to the increase of Teh Botol Sosro product sales.
- Further review is required by using or adding other indicators and may also use different

concepts. Other factors affecting purchasing decisions other than the variables put forward in this study, such as: packaging, brand image, distribution channel, label, etc. It is therefore hoped that other factors can be studied so that product purchase decisions can be further improved and science development will continue.

#### REFERENCES

1. Kotler, P. (2002). *Manajemen Pemasaran Edisi Milenium*. Jakarta: PT. Prenhallindo.
2. Ari Adriansyah, M., & Aryanto, R. (2012). *Pengaruh kualitas produk terhadap minat pembelian serta dampaknya terhadap proses keputusan pembelian J&C cookies* (Doctoral dissertation, BINUS).
3. Tjiptono, F. (2008). *Strategi Pemasaran*. Third edition. Jakarta: Andi Alma.
4. Kotler, P., & Keller, K. L. (2009). *Manajemen pemasaran jilid 1*. Jakarta: PT. Prehallindo.
5. Kotler, P., & Armstrong, G. (2012). Philip & Keller, Kevin L. *Administração em Marketing*.
6. Wibowo, R., Kristomi, A., Ali, H., Kemalasari, R. P. (2016). Analysis of Servqual and Product Quality Effects on Customer Satisfaction in Retail (A Field Research in Giant Citra Raya). *IOSR Journal of Business and Management*; 18(10).
7. Kotler, P., & Keller, K. L. (2009). *Manajemen pemasaran jilid 1*. Jakarta: PT. Prehallindo.
8. Anggita, R., & Ali, H. (2017). The Influence of Product Quality, Service Quality and Price to Purchase Decision of SGM Bunda Milk (Study on PT. Sarihusada Generasi Mahardika Region Jakarta, South Tangerang District). *A (Multidisciplinary Journal) ISSN*.
9. Kotler, P. (2007). *Manajemen Pemasaran edisi 13 jilid 1*.
10. Kotler, P., & Armstrong, G. (2008). *Prinsip-prinsip pemasaran* (Vol. 1). Jilid.
11. Kotler, P. (1997). *Manajemen Pemasaran Analisis, Perencanaan, Implementasi dan Kontrol*. Jakarta: Prenhallindo.
12. Tjiptono, F. (2002). *Strategi Pemasaran*, Edisi 2, Cetakan 6. Yogyakarta: Andi Offset.
13. Kotler, P., & Armstrong, G. (2012). *Principles of marketing: global edition*. New Jersey, US: Pearson Education.
14. Kotler, P., & Armstrong, G. (2008). *Prinsip-prinsip pemasaran* (12ed.). Jakarta: Erlangga.
15. Aaker, D. A. (2013). *Manajemen Pemasaran Strategis*. Eleventh edition. Jakarta: Salemba Empat.
16. Duriyanto, D. (2004). *Brand Equity Ten Strategi Memimpin Pasar*. Gramedia Pustaka Utama.
17. Sitinjak, T. J. (2006). Riset Operasi untuk Pengambilan Keputusan Manajerial dengan Aplikasi Excel. *Graha Ilmu, Yogyakarta*.
18. Duriyanto, D., & Sugiarto, T. S. (2001). *Strategi*

- Menaklukkan Pasar Melalui Riset Ekuitas dan Perilaku Merek. *Jakarta: Gramedia Pustaka Utama*.
19. Deebhijarn, S. (2016). The Marketing Mix Strategy Model to Influencing the Decision to Purchase Ready-to-Drink (RTD) Green Teas among University Students in Bangkok Metropolitan Region, Thailand. *International Journal of Sciences Basic and Applied Research*; 29(1).
20. Fatlahah, A. (2013). Pengaruh Kualitas produk dan Citra merek terhadap keputusan pembelian es krim wall's magnum. *Jurnal Ilmu Manajemen (JIM)*, 1(2).
21. Ackaradejruangsri, P. (2013). The effect of product quality attributes on Thai consumers' buying decisions. *Ritsumeikan Journal of Asia Pacific Studies*, 33, 15-24.
22. Ismiyati, I., Purwanti, S., & Si, M. (2017). Pengaruh kualitas produk dan pelayanan terhadap keputusan pembelian di warung spesial sambal plengkung gading. *E-Journal Student PEND. TEKNIK BOGA-S1*, 6(8).
23. Camelia, S. B., & Suryoko, S. (2017). Pengaruh keragaman menu, harga, dan citra merek terhadap keputusan pembelian (Studi Kasus pada Konsumen Restoran D'Cost Seafood Semarang). *Jurnal Ilmu Administrasi Bisnis*, 6(3), 426-432.
24. Kuawiriyapan, S. (2014). Factors affecting ready-to-drink murrh milkconsumption in bangkok metropolitan. *International Journal of Arts & Sciences*, 7(4), 61.
25. Hustic, I., & Gregurec, I. (2015). The influence of price on customer's purchase decision. In *Central European Conference on Information and Intelligent Systems* (p. 27). Faculty of Organization and Informatics Varazdin.
26. Oladepo, O. I., & Abimbola, O. S. (2015). The influence of brand image and promotional mix on consumer buying decision-a study of beverage consumers in Lagos State, Nigeria. *British journal of marketing studies*, 3(4), 97-109.
27. Sagala, C., Destriani, M., Putri, U. K., & Kumar, S. (2014). Influence of promotional mix and price on customer buying decision toward fast food sector: a survey on university students in jabodetabek (Jakarta, Bogor, Depok, Tangerang, Bekasi) Indonesia. *International Journal of Scientific and Research Publications*, 4(1), 2250-3153.
28. Hafiz, P. (2017). Analysis on Factors Influencing Purchase Decision on Mangosteen Skin Extract Garcia. *International Journal of Science and Research (IJSR)*, 6(8).
29. Yamoah, F. A. (2013). An exploratory study of marketing factors influencing fairtrade food buying behaviour in the UK. *International Review of Management and Marketing*, 4(1), 13-23.
30. Ambolau, M. A. P. (2015). The Influence of Brand Awareness and Brand image on Purchase Decision (Study on Aqua Consumers in Administrative Science Faculty Brawijaya University Class of 2013). *Jurnal Administrasi Bisnis*, 19(2).
31. Rahdini, M., Aisyah, M., & Kumar, S. (2014, May). Factors That Influence People Buying Decision on Bottled Drinking Water. In *Proceedings of International Academic Conferences*(No. 0100389). International Institute of Social and Economic Sciences.
32. Quansah, F., Okoe, A., & Angenu, B. (2015). Factors affecting Ghanaian consumers' purchasing decision of bottled water. *International Journal of Marketing Studies*, 7(5), 76.
33. Ismail, M. A. (2017). *Determination of condition factor (cf) and Hepatosomatic Index (hsi) of Pangasius sp. from Jeli market*(Doctoral dissertation, Faculty of Earth Science).
34. Ali, H., & dan Krisna, N. L. (2013). Research methodology. Yogyakarta: Deepublish.