

## THE INFLUENCE OF PRODUCT QUALITY, PRICE AND PROMOTION ON LE MINERALE BRAND DRINKING WATER

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**Abstract** - This study aims to determine the effect of product quality, price, and promotion on purchasing decisions of Le Minerale brand bottled drinking water). This type of research is quantitative research. The subjects of this research are consumers who buy Le Minerale products. Primary data was obtained from a questionnaire with 108 respondents using the Google form. Then the collected data will be analyzed using multiple linear regression with the help of SPSS 23. The results of this study can be concluded based on the *t* test that each variable is product quality ( $X^1$ ), price ( $X^2$ ), and promotion ( $X^3$ ) have a positive and significant effect, thus influencing the purchasing decision ( $Y$ ).

**Keywords:** Product Quality, Price, Promotion, Purchasing Decisions.

### 1. INTRODUCTION

Marketing is a main activity that must be carried out by a company whether it is engaged in goods or services in an effort to maintain its business in the long term. Marketing is one of the company's activities which deals with consumers directly, because of that marketing is a factor that can determine the survival of the company. Marketing activities can be interpreted as various human activities that have a direct link with the market. In the current era of intense competition, every producer who wants to beat competitors in the market will pay full attention to the marketing strategy that will be implemented. The various products to be sold must be of high quality, starting from the production stage to the marketing stage, which can give consumers satisfaction with these products (Dwi et al., 2022).

In the market there are many competitors, be it goods or services, which is one of the main problems that causes marketing constraints. Marketing is a big responsibility that must be won by a company if it wants to survive in business competition. To meet the needs and desires of consumers, companies must prioritize the quality of their products to win the competition with other companies. Product quality is related to the satisfaction obtained by consumers. That way, by prioritizing product quality it will be able to provide satisfaction to consumers (Dwi et al., 2022).

According to Kotler & Armsrong (2008) product quality is a major positioning tool owned by marketers. Product quality has become an important factor in determining the success of a product. Companies must try and be able to understand earlier the needs and desires of existing consumers and also the future so as to get long-term buyers. Tjiptono (2018) added that product quality is a collection of traits and characteristics that can determine how much a company can meet consumer needs and assess how much those traits and characteristics meet their needs.

According to Jamarnis & Susanti (2019) Price is a variable that must be considered carefully, because price has a very large influence on several aspects of company activities, both regarding marketing and promotional activities. Price is an important factor that is evaluated by consumers before they make a purchase decision so that marketers must really understand this in influencing consumer

attitudes. Consumers assume there is a negative relationship between price and product quality. Therefore, consumers will make comparisons between one product and another, after which the consumer will make a decision to buy a product (Fetrisen & Aziz, 2019) .

According to Dwi (2022) Promotion is also an important factor in marketing because promotion can change the minds of consumers who were initially not interested in buying a product to become interested in a product. According to Hermawan & Prihatini (2017) Promotion can also function to influence consumer attitudes and interests when choosing products and to encourage consumers' willingness to take positive action, namely making purchases of products offered by marketers. If the product is of good quality but the promotion is ineffective, it will make the marketed product not sell well (Solihin, 2020) .

Consumers evaluate their attitude in advance when making a purchase decision. The factor used by consumers in evaluating a product is trust, after conducting an evaluation they will make a decision to buy or not a product, and so on whether consumers will be loyal or not. This also applies to bottled mineral water. The need for mineral water continues to increase along with an increase in population, making the bottled water business increasingly popular with business people. New bottled water brands keep popping up. Currently, hundreds of brands of bottled water products have been recorded throughout Indonesia. The emergence of new products has motivated business people to create bottled water products that are able to beat the advantages of other products and try to fulfill what consumers need, which encourages consumers to make purchasing decisions. Purchasing decisions are actions taken by consumers to fulfill their needs through a product (Jamarnis & Susanti, 2019) .

Le Minerale is one of the brands managed by PT. Tirta Fresindojaya since 2015. Le Minerale products contain calcium, sodium, magnesium, potassium, bicarbonate and nitrate. the minerals contained in it are very natural because they come from mountain springs which are 100 meters below the ground surface. The packaging technology used uses a mineral protection system that can protect natural mineral content using a seal cup which aims to prevent product counterfeiting and keep the mineral content intact until it reaches the consumer.

The presence of Le Minerale products aims to meet market demands that want quality mineral water at affordable prices. Intense competition in the bottled mineral water market has forced producers to compete with each other to win market share and become the best brand in their field.

Previous research conducted by (Ababil et al., 2019) entitled "Analysis of Product Quality, Word of Mouth, and Location on Purchase Decisions for the Senduro Coffee Brand" this study stated that product quality variables did not have a significant effect on purchasing decisions.

Previous research conducted by (Sugianto & Rahman, 2019) entitled "The Influence of Product Quality, Price, and Promotion on Purchase Decisions for Shinyoku Lamps at CV. Sinar Abadi Pekanbaru" this study states that price and promotion variables do not have a significant influence on purchasing decisions.

## **2. LITERATURE REVIEW**

### **A. Buying Decision**

Purchase decisions have a close relationship with consumer behavior. Consumer behavior is behavior that is done to purchase a product. Consumer behavior is one of the important factors in marketing activities carried out by companies. Because basically companies cannot know what consumers need and want before studying consumer behavior (Sheikh Qazzafi, 2019) .

Purchasing decisions are actions taken by consumers who aim to buy an item. Every marketer carries out and runs various marketing strategies that will make consumers buy the products offered (Jamarnis & Susanti, 2019)

## **B. Product Quality**

According to Assauri (2011) Product quality is a factor that must be given the main attention of the company, product quality has a close relationship with consumer satisfaction, which is the goal of marketing activities carried out by the company.

Product quality is a factor that causes a product to have value with the purpose for which the product is produced, product quality has an important role both from the point of view of consumers who freely choose the level of quality or from the point of view of producers who begin to pay attention to controlling quality values in order to maintain as well as expanding marketing reach (Agustina et al., 2018).

## **C. Price**

According to Kotler & Armstrong (2012) Price is the amount of money exchanged for an item or service or the amount of value exchanged by consumers for the benefits of owning and using the product or service.

Price is one of the determinants of the success of a company because price has an influence on being able to determine how much profit a company will get from the sale of its products, whether in the form of goods or services (Fera & Pramuditha, 2021).

## **D. Promotion**

According to Kotler & Armstrong (2012) Promotion is an activity carried out by companies to communicate the benefits of a product and encourage/persuade consumers to make purchasing decisions for the products offered. Promotion is an important variable for companies to carry out product marketing (Sugianto & Rahman, 2019).

Meanwhile, according to Tjiptono (2018) Promotion is an element of the marketing mix that focuses on efforts to communicate, encourage/persuade and increase consumer returns for brands and products from a company.

## **E. Hypothesis**

### **A. The Relationship Between Product Quality And Purchasing Decisions**

The existence of good product quality and in accordance with the price paid by consumers will give consumers a positive impression of the product brand which indirectly causes consumer interest in buying the product, consumers will make purchasing decisions when the product quality is good and in accordance with what is expected. expected (Hermawan & Prihatini, 2017) The following are hypotheses related to purchasing decisions:

H1: product quality affects purchasing decisions.

### **B. The Relationship Between Price And Purchase Decision**

Companies must set prices that are in accordance with the product values provided to consumers, prices that are too expensive and inconsistent affect consumer purchasing decisions (Irawan, 2020). Price is a variable that is often used as an indicator of value if the price is associated with the benefits provided for an item or service, price has two main roles in the consumer decision-making process, namely the role of allocation and information (Hermawan & Prihatini, 2017). The following are hypotheses related to purchasing decisions:

H2: price affects the purchase decision.

### **C. Relationship Promotion With Purchasing Decisions**

Promotion is an attempt made by a company to persuade/influence potential consumers to accept product information provided by marketers for the product being promoted so that they will make a purchase decision (Irawan, 2020). The following are hypotheses related to purchasing decisions:

H3: promotion has an effect on purchasing decisions.

### 3. RESEARCH METHODE

The research used by researchers is to use quantitative research. The population in this study are customers who use Le Minerale products in DKI Jakarta with a sample of consumers who buy Le Minerale products in DKI Jakarta. The data collection technique in this study was by filling out questionnaires online via the Google form page. This study also uses data sources, namely primary data. The data used SPSS 23 analysis. Regression analysis was used to analyze the independent variables that affect the dependent variable as well as statistical data analysis methods in this study using reliability analysis with Cronbach's Alpha, Validity, Multiple Regression.

### 4. RESULT

Respondent characteristics contained in this study include name, age, gender, and income. An explanation of the characteristics of the respondents in the study is described below.

**Table 1. Profile of Respondents**

<i>Gender</i>	<i>Amount</i>	<i>Percentage</i>
<i>Man</i>	45	41.7%
<i>Woman</i>	63	58.3%

Source: Processed Results of SPSS 23, 2022

In table 1 it can be seen that the respondents who filled out the questionnaire consisted of 45 men and 63 women. In this questionnaire, most of the women had a percentage of 58.3%, while men only had a percentage of 41.7%.

#### Validity Test

The validity test was carried out to measure the extent to which the question items used were able to test a model in the study studied (Hermansyur & Aditi, 2017) . Whether a variable is valid or not can be seen from the results of the correlation value, if the correlation value is greater than 0.05 (5%) then it can be stated that the sample adequacy requirements of each are met or the variable is declared valid (Eltonia & Hayuningtias, 2022) . The results show that the results of the validity test for each variable can be declared valid because the test results shown in the table have a value of  $> 0.5$ . So that the actual data on the dependent variable with research data has been validated for the variables of product quality, price, and promotion (independent) and purchasing decisions (dependent).

#### Reliability Test

The reliability test was carried out to see the consistency of the indicators used to measure the variables in this study (Hermansyur & Aditi, 2017) . This test was carried out using the Cronbach's Alpha technique. Based on data, the reliability of the three variables (product quality, price, and promotion) using the Cronbach's Alpha measurement yields a result of 0.850 where all variables are declared reliable because they have a value  $> 0.60$ .

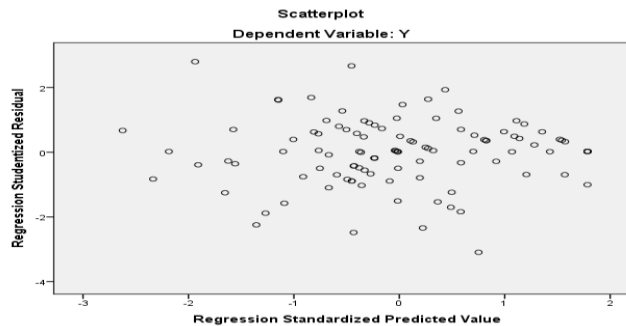
#### Normality Test

The normality test was carried out with the aim of testing whether the regression model, confounding variables or residuals have a normal distribution (Ghozali, 2009) . The normality test in this study used the Kolmogorov-Smirnov test for each variable. The research data can be said to fulfill the normality test if the Asymp.Sig (2-tailed) value is greater than 0.05 (5%). Based on SPSS output, it can be

seen that the significance value is 0.003 where the number is less than 0.05 ( $0.003 < 0.05$ ) so it can be stated that the data is not normally distributed because the significance value is less than 0.05.

### Heteroscedacity Test

Ghozali (2009) states that the heteroscedasticity test aims to test whether in the regression model there is an inequality of *variance* from the residuals of one observation to another. One of the ways to see the existence of heteroscedasticity in the regression equation is by looking at the dots on the scatterplot graph. If these points form a certain pattern then there is heteroscedasticity in the regression.



**Figure 1. Heteroscedasticity Test**

Based on the table above, the results of the heteroscedasticity test can be seen that the distribution of the data does not form a special pattern and looks random, so it can be said that there are no symptoms of heteroscedasticity in the variables studied. So that the test results do not occur heteroscedasticity.

### Autocorelation Test

The autocorrelation test was carried out to test whether in the regression there is a correlation between the confounding errors in the  $t$  period and the errors in the previous period ( $t-1$ ). The autocorrelation test in this study used the Durbin-Watson test where this test assessed the presence of autocorrelation in the residuals.

**Table 2. Autocorrelation Test Results**

Model	R	R Square	Adjusted R Square	std. Error of the Estimate	Durbin-Watsons
1	.817	.667	.667	1,986	1,980

Source: Processed Results of SPSS 23, 2022

Based on table 8 shows the Durbin-Watson Value ( $d$ ) of 1,980. The number of samples used was 108 and the number of independent variables was 3 variables. Then a  $dU$  value of 1,743 can be obtained. So that the Durbin-Watson value ( $d$ ) of 1,980 is greater than the upper limit ( $dU$ ) of 1,743, it can be stated that there are no symptoms of autocorrelation.

### Multicolienierity Test

The multicollinearity test in this study was conducted to test whether the regression model found a correlation between the independent variables. Multicollinearity can be determined by looking at the Variance Inflation Factor (VIF). It is said that there is a correlation if the VIF value is  $< 10$ .

**Table 3. Multicollinearity Test Results**

Variables	Collinearity Statistics		Conclusion
	tolerance	VIF	
X1	.465	2.152	There is no multicollinearity
X2	.535	1868	There is no multicollinearity
X3	.373	2,680	There is no multicollinearity

Source: Processed Results of SPSS 23, 2022

It can be seen in table 9, the results of the multicollinearity test above show that there is no correlation in all variables because the VIF value contained in each variable shows a number < 10. So the test results state that there is a perfect correlation between the independent variables.

**T Test**

The t test is used to determine the influence of X on Y partially or individually. Knowing the independent variable on the dependent variable partially can use a comparison between its significant value with a degree of confidence of 0.05 (5%)

**Table 4. T test results**

Model	Q	Sig.	Conclusion
(Constant)	1210	.229	
Product quality	2,263	.026	Significant
Price	4,098	.000	Significant
Promotion	4,487	.000	Significant

Source: Processed Results of SPSS 23, 2022

In table 4 it can be seen that all independent variables have significant values because their values are <0.05. So it can be stated that the independent variables (Product Quality, Price and Promotion) affect the dependent variable (Purchasing Decision).

**F Test**

This test was conducted to test the influence of the independent variables on the dependent variable simultaneously. The F test was performed using analysis of variance ( *analysis of variance* = ANOVA). Influence can be known by looking at the significant value in the table. Decision making based on comparison with a significance level of 0.05 (5%). If the significance value is <0.05, it can be stated that there is an influence of the independent variable on the dependent variable.

**Table 5. F Test Results**

Dependent Variable	F	Sig.	Conclusion
KP	69,346	.000 <sup>b</sup>	Significant

Source: Processed Results of SPSS 23, 2022

Based on table 5, it can be seen that the significance value is 0.000 where the value is smaller than the alpha value, namely 0.05 (0.000 <0.05) so that it can be stated that there is an effect of Product Quality (X1), Price (X2), and Promotion (X3) on Decision Purchase (Y).



**R Square (R<sup>2</sup>)**

Ghozali (2013) said that the coefficient of determination (R<sup>2</sup>) is used to measure the extent to which the model's ability to apply variations to the dependent variable. The value of the coefficient of determination can be seen in the R Square column.

**Table 6. R test results**

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	.817	.667	.667	1,986

Source: Processed Results of SPSS 23, 2022

Based on table 6, it is known that the coefficient of determination or R Square is 0.667 which means that the variables Product Quality (X1), Price (X2), and Promotion (X3) jointly affect the Purchase Decision variable (Y) by 67%. While the rest (100% - 66.7% = 33.3%) is influenced by variables not examined.

**5. DISCUSSION**

The first discussion on the results of hypothesis testing shows that product quality has a positive and significant effect on purchasing decisions. Based on the results of the t test in table 5 it is known that the value of t count (2,263) > t table (1,982) and with a significance value of 0.026 <0.05. The test results show that product quality variables affect purchasing decisions. The results of this study are in accordance with research conducted by Jamarnis & Susanti ( 2019) which states that product quality has a positive effect on purchasing decisions for Lux brand soap products among STIE "KBP" Padang students and research conducted by Dwi (2022) which states that product quality has a positive effect on purchasing decisions for bottled drinking water brand Aqua.

The second discussion on the results of hypothesis testing shows that price has a positive and significant effect on purchasing decisions. Based on the results of the t test in table 5 it is known that the value of t count (4,098) > t table (1,982) and with a significance value of 0.000 <0.05. The test results show that the price variable affects the purchase decision. The results of this study are in accordance with research conducted by Fera & Pramuditha (2021) which states that price has a positive effect on purchasing decisions for Xiaomi *mobile phones* in Palembang City and research conducted by Rahayu (2021) which states that price has a positive effect on purchasing decisions for *E-commerce users* Tokopedia.

The third discussion on the results of hypothesis testing shows that promotion has a positive and significant effect on purchasing decisions. Based on the results of the t test in table 5 it is known that the value of t count (4,487) > t table (1,982) and with a significance value of 0.000 <0.05. The test results show that the promotion variable influences the purchasing decision. The results of this study are in accordance with research conducted by Astuti (2019) which states that promotions have a positive effect on purchasing decisions for *Converse brand shoes* and research conducted by Sani (2022) which states that promotions have a positive effect on purchasing decisions for *Scarlett Whitening products* .

From the results of this study it can be seen that the most dominant changes that occur in purchasing decisions are partially influenced by the promotion variable which has the highest correlation number, namely 0.724. This shows that Le Minerale products have been able to maintain and maintain good quality because by managing the brand properly it is able to attract consumers' attention and encourage consumers to repurchase products.

## 6. CONCLUSION

The product quality variable has a positive and significant effect, thus influencing the decision to purchase Le Minerale products. The price variable has a positive and significant effect, so it influences the purchasing decision of Le Minerale products. The promotion variable has a positive and significant effect, so that it influences the purchasing decision of Le Minerale products. This shows that if the improvement in product quality, price and promotion is provided by the company continuously and together, It will make consumers make decisions in making purchases of Le Minerale brand bottled minerale water.

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