



Brand image, product quality, and price perception on drinking water purchase decision

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ABSTRACT

In a hypercompetitive global market, none of the business can survive without support from satisfied customers and loyal customers who buy goods or services. The purpose of this study was to analyze the effect of Brand Image, Product Quality, and Perceived Price on Purchasing Decisions for Sanford Drinking Water. The population of this research is the customers in the cafeteria of PT. Team Metal Indonesia, Batam totaling 112 people. The sample consists of 112 respondents, who were taken by the saturated sampling method. Data analysis using Multiple Regression and Hypothesis Testing. The results of this study concluded that Brand image has a significant effect on purchasing decisions of 0.045, product quality has a significant effect on purchasing decisions of 0.010, and the perceived price has a significant effect on purchasing decisions of 0.000. Brand image, product quality, and perceived price simultaneously influence the decisions purchase of 0.000.

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INTRODUCTION

Bottled drinking water is water that has been processed, without other food ingredients and food additives, packaged, and safe to drink. Bottled drinking water is one such product many circulating in the market with a variety of benefits and offers the advantage.

The driving factor for the community to consume drinking water is a basic need that must be met. Humans are obliged to drink water and especially mineral water. Competition between producers of bottled water will make consumers very selective in making purchasing decisions. In deciding to buy there are many people buy according to their needs and also consider others factors.

Today's society is more inclined to be selective and rational toward purchasing bottled drinking water than they want both in terms of brand image, product quality, and price perception. Even though the packaged drinking water products chosen by consumers have prices are relatively expensive, consumers will continue to buy on the prestige factor which is better than other products. Facts on the ground show that in terms of purchasing an item there is a supporting element, namely brand image.

Brand image can be defined as a representation of the overall perception of the brand that is formed from information and consumer experience of certain brands. Brand image is related to attitudes, beliefs, and preferences for certain brands. A brand is a name, sign, symbol or design, or a combination of these these elements, which are intended to identify goods and services of a seller or group of sellers and differentiate it from goods and competitor services (Kotler & Keller, 2019).

All the elements contained in the brand equity then there is a bond that is established, namely that consumers have the same or less the same point of view or perspective against their background in buying bottled drinking water. Product quality is the ability of a product to perform its functions include, durability, accuracy, ease of operation, and improvements, as well as other valued attributes. To improve product quality companies can apply for the Total Quality Management (TQM) program. In addition to reducing damaged products, the ultimate goal of total quality is to increase consumer value. Kotler and Keller translated by Bob Sabran (2012), states that product quality is the ability of an item to provide results or performance that matches even more than what the customer wants.

Product quality indicators are as follows: Performance, deals with the basic operating characteristics of a product, durability, this means how long the age of the product in question lasts before the product must be replaced. The greater the frequency of use of consumers to the product, the greater the power of the product, conformance to specifications, that is the extent to which the basic operating characteristics of a product meet certain specifications of the consumer or no defects are found product, features product characteristics designed to enhance product function or increase consumer interest in the product, reliability is the probability that the product will work satisfactorily or not within a certain period of time. The less the possibility of damage, the product can dependable, aesthetics related to how the appearance of the product, perceived quality (impression of quality) often said to be the result of the use of measurements that done indirectly because there is a possibility that consumers do not understand or lack information on the product in question, serviceability includes speed and ease of repair and competence as well as the friendliness of the service staff.

Price is one of the determinants of the success of a company because price determines how much profit the company will get from sales of products in the form of goods and services. The price is also an important factor that influences purchase decisions and satisfaction among customers and an important factor in the company earning profit. Every factor tries to set affordable prices in order to be superior to its competitors. With the price policy in this case a discount provided by the company is expected to increase sales. For the company to use the price effectively, it should be held a good plan by taking into account all related factors with promotions and pricing policies so that what is implemented can it worked out fine.

According to Kotler and Armstrong in Desy Irana, Dewi Lubis and Rahmat Hidayat (2017), price is the amount of money charged for something goods or services or the amount of money exchanged by consumers for benefits – the benefits of having or using the product or service. Price too greatly affect the level of sales of a product that is marketed.

Based on the findings of researchers in the field who are in the scope of cafeteria of PT. Team Metal Indonesia, shows that the buyer's awareness of brand image, product quality and price is still low as it happens that buyers have difficulty remembering a brand and product quality as well. Buyers are also less familiar with brands that have appeared on the market and seem to only remember the brands they consume ever since.

Based on the previous researched by hakim, I., & saragih, r. (2019) on their research pengaruh citra merek, persepsi harga dan kualitas produk terhadap keputusan pembelian konsumen npk mutiara di ud.barelang tani jaya batam, concluded that brand image, price perception and product quality are significantly impact on the purchase decision. Rivaldo, y., wibowo, e. A., hasibuan, r., anggraini, d., & arnesih, a. (2021) on their research analisis dampak kesadaran merek, persepsi kualitas, dan asosiasi merek terhadap keputusan pembelian air minum

dalam kemasan, concluded that brand image, quality perception and brand association are significantly impact on the purchase decision.

Though not necessarily the brand they are thinking of is far away better than other brands. There are also buyers changing brands every day so that awareness of a brand becomes neglected. Likewise with the perception of quality and purchasing decisions is very complex background.

RESEARCH METHOD

Population and Sample

In this research, the population is canteen customers of PT. Team Metal Indonesia, totaling 112 people. Number of samples in this study amounted to 112 respondents. Sampling method is saturated sampling.

Data Collection Method.

The research aims to confirm the theoretical model with empirical data. It tries to test the hypothesis used where samples are taken from a population and questionnaires are the primary data collector. Collecting data through a questionnaire is done by asking questions to parties related to the problem. To assess respondents' responses, the author uses the Likert scale which uses several question items to measure individual behavior by responding to 5 choice points on each question item, Likert scale identify as (5) Strongly Agree, (4) Agree, (3) Undecided, (2) Disagree and (1) Strongly Disagree

Data Analysis Method

After the data is collected, the next step is data analysis. The objective of this analysis is to interpret and draw conclusions from several collected data. Methods of data analysis in this study using regression will be processed using SPSS 20 software.

Validity and Reliability Test

The data obtained needs to be tested for its accuracy and reliability so that the results of data processing can be more precise and accurate. Therefore, it is necessary to know how high the validity and reliability of the measuring instrument (instrument) used. Based on the research, each variable of the questionnaire item that was tested for validity, all the questionnaires had met the valid criteria and were eligible to be used as a questionnaire in further research. While in the reliability test, all variable questionnaire item is reliable and can be used as the research instrument.

RESULTS AND DISCUSSIONS

Normality Test

The residual normality test is used to test whether the residual value resulting from the regression is normally distributed or not. A good regression model is to have residuals that are normally distributed. There is some method to do the normality test such as histogram graphic, normal probability plot of regression graphic.

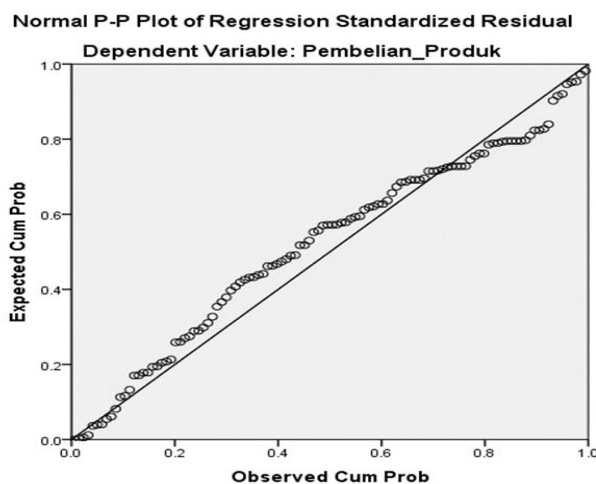


Figure 1. P-P Plot for data normality test

Based on the picture above, it shows that the data (dots) spreads around the diagonal line and follows the diagonal line. So from this figure it is concluded that the regression model residuals are normally distributed.

Reliability Test

Table 1. Reliability test result

No	Variable	N of Items	Cronbach's Alpha	Remarks
1	Brand Image	7	0,916	Reliable
2	Product Quality	6	0,882	Reliable
3	Price Perception	6	0,886	Reliable
4	Purchase Decision	5	0,843	Reliable

According to Ghozali (2017), the research instrument is declared reliable if it has a Cronbach Alpha value of 0,60, while the validity of the instrument according to Sugiyono (2017) is declared valid if the correlation coefficient of each instrument item is ≥ 0.30 . All data meet the requirements for validity and reliability. Descriptive analysis is a test based on information obtained from respondents and generated from structured data

Base on the table it can be seen that Cronbach's Alpha is greater than 0.60, and this is shows that each statement item in the questionnaire is reliable or reliable. Or in other words, all statement items used are stable and consistency in measuring each research variable.

Coefficient Determination

Analysis of determination or also called R Square symbolized by R^2 is used to determine the magnitude of the influence of the independent variable (X) together on the dependent variable (Y) where the smaller the coefficient of determination, this means the effect of the independent variable (X) on the dependent variable (Y) is getting weaker. Conversely, if the coefficient of determination is closer to number 1, then the effect of the independent variable on the dependent variable is getting stronger. Thus, if a coefficient determination is 0, this indicates that there is no percentage contribution of influence given by the independent variable to the dependent variable. However, if the coefficient of determination is 1, then there is contribution that the independent variable gives to the dependent variable is perfect.

Table 2. Coefficient determination result

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df	df2	Sig. F Change
1	.857 ^a	.735	.727	1,725	.735	99,772	3	108	.000

Based on the table above, the value of the Adjusted R Square coefficient of determination is 0.727. This shows that the variable ability of brand image, product quality and price perceived explains the effect purchasing decisions for Sanford drinking water at Cafeteria of PT. Team Metal Indonesia by 72,7%. While the remaining 27,3% is the influence of other independent variables not examined in this study.

t-Test (Partial Hypothesis test)

Table 3. t-test result

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
		1	(Constant)	,462			1,090	
	Citra_Merek	,182	,090	,252	2,033	,045	,160	6,255
	Kualitas_Produk	,266	,102	,316	2,617	,010	,169	5,926
	Persepsi_Harga	,291	,076	,340	3,828	,000	,311	3,216

From these results, the t-table number is 1,658 with the test criteria hypothesis as follows: (1) Based on the calculation results, the t count obtained for Brand Image of 2,033 >t table 1,658, and a significance of 0,045 <0.05 means there is a positive influence between brand images on purchase decisions. (2) Based on the results of the calculation, the t count obtained for product quality of 2.617 >t table 1.658 and a significance of 0.01 <0.05 means that there is a positive influence between product quality on purchase decisions. (3) Based on the calculation results, the number t is calculated for the price perception of 3.828> t table 1.658, and a significance of 0.000 <0.05 means that there is the positive influence between price perception on purchase decision.

F-Test (Simultaneous Hypothesis Test)

Table 4. F-test result

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	890,219	3	296,740	99,772	.000 ^a
Residual	321,210	108	2,974		
Total	1211,429	111			

The f test obtained F count of 99,772 with a significant level of 0,000. Because the probability (0.000) is smaller than 0.05, it has an effect simultaneously on purchase decisions.

CONCLUSION

Based on the findings and discussions that have been described in the chapters previously, in the following we will conclude several things regarding this research: (a) Brand Image variable has a significant effect on purchases decisions where the number t count brand image is 2,033 >t table 1,658, and a significance of 0,045 <0.05, company can increase the brand images thru seminar or promotion and keep the unique logo (b) Product Quality variable has a significant effect on purchases decisions where the product quality of 2.617 >t table 1.658 and a significance of 0.01 <0.05, maintain the good quality and should increase it further thru packaging and other innovation (c) Price Perception variable has a significant effect on purchases decisions where the price perception of 3.828> t table 1.658, and a significance of 0.000 <0.05, price need to maintain as lower as possible but keep good quality then customer can be stay on this product and not move into another product (d) Brand image, product quality and price perception simultaneously

influence purchases decisions where the probability (0.000) is smaller than 0.05. Next researcher may explore more on the other factors or indicator beside brand image, product quality, price perception and purchase decision to have better figures and picture for the other factors and use more variables and wider population scope of the population in this study. The sample used should also be more than this study, thus further research can further provide a more specific picture of it.

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