



The Effect of Product Quality and Promotional Activities on Purchasing Decisions Mediated by The Price of Bear Brand Milk Drink Products During The Covid-19 Pandemic

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ABSTRACT

The purpose of this study is to examine and determine the influence of promotion and product quality on purchasing decisions with price mediation on Bear Brand products. In this survey, there were 75 consumer respondents who were sampled. The data analysis test in this study was carried out using the Smart PLS program, the analysis technique in this scientific paper uses the SmartPLS 3.3.3 program. The results showed that: (1) price has a positive and significant effect on purchasing decisions; (2) product quality has a positive and significant effect on price; (3) promotion also has a positive and significant influence on the price.

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1. Introduction

Since it was first discovered in Wuhan, China in late December 2019, a new type of coronavirus (SARSCoV2) that causes coronavirus disease (COVID19) has taken the world by storm. However, its final manifestation is still unknown. The community and the government are both making a number of efforts to stop the spread of the virus. Maintaining a clean lifestyle, maintaining a safe distance, avoiding crowds, wearing masks, washing hands frequently, and using hand sanitizers are believed to stop the spread of the coronavirus. In addition to these initiatives, it is equally important to build endurance by consuming foods high in vitamins, minerals, and bioactive components can be staple foods such as brown rice, black sorghum, sweet potatoes, nuts, vegetables, and fruits, as well as animal products such as milk, eggs, and honey, as well as herbal functional foods and beverages. (Vahya Karunia 2019).

Consume UHT (ultra-high temperature) milk in the morning and at night regularly because UHT milk contains a variety of important nutrients needed by the body such as calcium protein phosphorus calcium vitamin A vitamin B and vitamin D. UHT milk is milk that has been pasteurized so that it is more hygienic and durable. In the manufacturing process, milk is heated for 2 seconds at a very high temperature that is above 135 degrees Celsius with the aim of removing the bacteria in the milk without removing the good nutrients contained in it.

Many businesses work in a variety of ways to meet the demands of their customers in order to increase health awareness among the people of Indonesia. To develop the product, the company conducts a thorough investigation. Manufacturers strive to create and find efficient ways to offer their health products so that consumers can be interested and acquire these health products. The level of customer purchasing decisions will be influenced by competition in the dairy business, especially with the increasing diversity of liquid milk in packaging. Customers will be provided with a wide variety of milks with different variations as different versions of benefits and packaged milk brands continue to compete in their own markets.

The public's need for packaged liquid milk products is a concern for several companies such as PT. Frisian Flag Indonesia which produced Frisian Flag in 1922, PT. Indomilk produced Indomilk in 1967, PT. Ultra Jaya Milk Industry produced Ultra Milk in 1975, PT. Tirta Freshindo with seven dates in 1993 products, PT. Cisarua Mountain Dairy products Cimory Milk Year 2004, PT. Zetan International (Modern Group) produced Asia Pandas in 2020. This shows that the competition in the brand of milk in ready-to-drink packaging is getting tougher.

Consumers today prefer to use products that will be utilized because of the variety of goods offered and have varied advantages between one another. The purchase decision becomes the choice of two or more possible alternatives (Tjiptono, 2015, p.387). Purchasing decisions are actions from consumers to want to buy or not to buy products from various factors that influence consumers in purchasing a product or service, usually consumers always consider quality, price and products that are well known to the public. (Kotler, 2011)

Bear Brand products have a price and can be superior to other products, so people are still interested in consuming Bear Brand products compared to other products. The growth of the market and the competition of packaged milk beverage products are the main factors to be able to face competition in product marketing. Because the content of Bear Brand milk has a lot of nutritional content.

Products from PT. Nestle Indonesia for Bear Brand is inseparable from its promotional efforts, which is one of the unique strategic processes of public relations, sales promotion, and personal advertising that the company uses to achieve its advertising and marketing goals (Kotler Keller, 2009:263). The company's goals and vision can be fulfilled by utilizing this marketing strategy, which seeks to communicate product excellence and encourage people to acquire products, by increasing sales through the use of planned promotional programs (Kotler & Armstrong, 2013). Promotional activities are marketing initiatives that make various short-term efforts to arouse interest in trying or buying goods or services. Any promotional action aims to change consumer behavior (Kotler, 2000:281).

The ability of the product to perform quality, which includes longevity, dependence or progress, strength, simplicity of packaging, and product improvement, is reflected in the product (Kotler & Armstrong, 2008, p.266). If the results of their evaluation show that the products they use are of excellent quality, then consumers will feel satisfied (Lupioadi, 2001, p. 158). According to Kotler and Armstrong, the product's ability to meet latent requirements and preconceived requirements is a sign of its superiority (2001). Product quality is formed by many indicators, such as simplicity of use, durability, function, and diversity of product sizes (Zeithalm, 1988 in Nugroho Setiadi 2003).

Pricing as a heuristic cue is easier to observe than quality (Yoon, Oh, Song, Kim, & Kim, 2014). Meanwhile, according to (Wijaya, 2011) the price is the amount of money that customers must pay to get product profits. Fair prices generate greater value by customers (Lee, 2013) and can improve consumer purchasing decisions (Jiani, 2017). If consumer satisfaction is in accordance with the price given then they are able to make purchase decisions quickly.

2. Methods

This research uses associative methods with a quantitative approach. With this research, a theory will be built that can function to explain, predict and control the relationship or influence of independent variables Promotion (X1), Product quality (X2), Price (Z) on dependent variables Consumer purchase decisions (Y). The respondents in this study were 75 people. The type of data used in this study was primary data obtained from questionnaires that were distributed personally to all respondents and secondary data collection techniques in this study were carried out by means of literature studies. Test data analysis in this study using the Smart PLS program.

3. Result and Discussion

Hypothesis testing is carried out based on the test results of the Inner Model (structural model) which includes r-square output, parameter coefficients and t- statistics. To see whether a hypothesis

can be accepted or rejected, among others, by paying attention to the significance values between contract, t-statistics, and p-values. The test can be seen from the bootstrapping results. The rules of thumb used in this study were t-statistics > 1.96 with a significance level of p-values of 0.05 (5%).

Tabel 1
Mean, STDEV, T-Values, P-Values

	Original Sample(O)	Sample Mean (M)	Standar Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Harga (Z) ->Keputusan Pembelian (Y)	0.756	0.782	0.050	15.035	0.000
Kualitas Produk (X2) -> Harga (Z)	0.460	0.468	0.150	3.064	0.002
Promosi (X1) -> Harga(Z)	0.301	0.326	0.144	2.096	0.037

Based on the results of the hypothesis test in the table above, it can be seen that the first hypothesis test statistical t value of 15.035 is greater than t table 1.96 with an error rate below 0.05, which means the first Hypothesis (H1) stating Price (Z) against the purchase decision (Y) is acceptable.

The second hypothesis test a statistical t value of 3.064 is greater than t table 1.96 with an error rate below 0.05, which means the first Hypothesis (H2) stating the quality of the product (X2) against the price (Z) is acceptable.

The third hypothesis test statistical t value of 2.096 is greater than t table 1.96 with an error rate below 0.05, which means the third Hypothesis (H3) stating the promotion (X1) against the price (Z) is accepted.

3.1 Price (Z) of Bear Brand dairy products affects Purchasing Decision (Y)

Price (Z) has a positive and significant effect of 75.6% (0.756) on purchasing decisions (Y), this is proof that Price (Z) plays a very strong role in price (Y). This strong influence is due to the respondent's reasoning that "As long as the price of bear brand liquid milk is affordable to the lower to upper class, we will definitely buy it, because there are many various benefits that we can get from consuming bear brand milk." the statement was based on the results of the narrative answers of several respondents who were willing to fill out the research questionnaire.

The most dominant instrument in Price (Z) is the consumer instrument will buy liquid milk products in Bear Brand brand ready-to-drink packaging because the price offered is affordable" (HG2) has the highest role in influencing price (Z) of 0.746.

The calculated value of T in the price variable (Z) against the Purchase decision variable (Y) is (15,035), the calculated t value is greater than the table t value (1.96) which means that the first hypothesis (H1) is accepted or has a positive effect.

The results of this study are in line with the research presented by Sumiati and Deni Gea, (2021), in an article entitled "Pengaruh Harga, Brand Image Dan Kualitas Produk Terhadap Keputusan Pembelian Produk Obat Bermerek Pada Pt. Bernofarm", resulting in the conclusion that price affects the decision of purchases.

3.2 Product Quality (X2) on Bear Brand dairy products affects the Price (Z).

Product Quality (X2) has a positive and significant effect of 46% (0.460) on Price (Z) this is proof that Product Quality (X2) plays a strong role in Price (Z). This strong influence is due to the respondent's reasoning that Bear Brand products are undoubtedly related to the quality of sterilized whole milk products, especially in accordance with consumer needs, this product also has many benefits for body health" the statement is based on the results of narrative answers of several respondents who have been willing to fill out the research questionnaire.

The most dominant instrument in Product Quality (X2) namely "Bear Brand can maintain body health" (KTP7) has the highest role in influencing price (Z) of 0.873.

The calculated T value in the Product Quality variable (X2) against the Price variable (Z) of (3,064), the calculated t value is greater than the table t value (1.96) which means that the second hypothesis (H2) is accepted or has a positive effect.

The results of this study are in line with the results of research presented by Justin Beneka, in 2013 in an article entitled "The influence of perceived product quality, relative price and risk on customer value and willingness to buy: a study of private label merchandise", resulted in the conclusion that product quality affects the decision of purchase.

3.3 Promotion (X1) on Bear Brand dairy products affects the price (Z).

Promotion (X1) has a positive and significant effect of 30.1% (0.301) on price (Z), this is proof that Promotion (X1) plays a positive role in price (Z), the positive of this influence is due to considerations from consumers "Bear brand advertising on television / social media has nothing to do with the benefits of its products. but with this strangeness, bear brand milk becomes easy for the public to remember" the statement was based on the results of the narrative answers of several respondents who had been willing to fill out the research questionnaire.

The most dominant instrument in Promotion (X1) is "Bear Brand products are undoubtedly related to the quality of pure milk products that are sterilized, especially in accordance with consumer needs, this product also has many benefits for body health" (PM4) has a high role in influencing the price variable (Z) of 0.801.

The calculated T value of the promotion variable (X1) against the price variable (Z) of (2,096), the calculated t value is greater than the table t value (1.96) which means that the third hypothesis (H3) is accepted or has a positive effect.

The results of this study are in line with the results of research presented by Muhammad Rifai Kurnia (2016) in an article entitled "Pengaruh merek, kualitas produk dan promosi terhadap keputusan pembelian peralatan olahraga tenis meja okesport di Kecamatan Wonosari" resulting in the conclusion that promotions affect the decision of purchases.

4. Conclusions

Based on the results and discussions in the study, it can be concluded that application of promotions to milk of Bear Brand products has a significant positive effect (30.1%) on pricing, price mediation in milk of Bear Brand products significantly affects positif (75.6%) on purchasing decisions and the application of product quality to liquid milk in ready-to-drink packaging of Bear Brand products has a significant negative effect (46%) on pricing.

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