

**MODEL OF PURCHASE DECISION : A STUDY ON CONSUMER OF
PRODUGEN BRAND MILK PRODUCT**

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Abstract

To analyze influence of product quality, price and promotion towards purchase decision of Produgen brand milk product consumer in Jakarta City, Indonesia. The data collection technique research is the questionnaire method. the total sample is 100 consumers of Produgen brand milk product in Jakarta City. Methods of analysis used in this study is multiple linear regression. Research results showed the quality of products, prices and promotions simultaneously (simultaneous) positive and significant effect of Produgen brand milk product purchasing decisions. Product quality is partially positive and significant effect on purchasing decisions, price is partially positive and significant effect on purchasing decisions, and promotion is partially positive and significant effect on purchasing decisions. Variable price gives the greatest influence, that amounted to 55.5%, thereafter a variable influence promotion of 32.4%, and the variable quality of products provide the influence of 16.1% of purchase decisions Produgen brand milk products.

Keywords: Product quality, Price, Promotion, Purchasing Decisions

INTRODUCTION

Milk is one of the animal protein source which is important for human, because it contains nutrition and calcium which is complete and balance. Statistics data from the Department of Agriculture (2007), which was quoted from Irdam (2012) shows that consumption of milk in Indonesia has only reached 14,6 liters/capita each year and this means that the consumption of milk in Indonesia can be categorized as low. To overcome this, government has conducted programs to promote and increase milk consumptions in Indonesia since 2010.

Previously, milk was more commonly consumed by toddlers and children. Nowadays, milk is also largely consumed by teenagers and adults. Furthermore, it has become a trend for the society in the city, which instigate food producers in Indonesia to produce high calcium milk. There are many brands of high calcium milk as osteoporosis preventers in Indonesia, among others is the brand Produgen.

Every company in the high calcium milk industry competes to gain market share by offering products that are expected to meet the needs of consumers desire to get the best product. High intensity of competition in this industry causes consumers to be exposed to various types of high calcium milk with various variations, brands, packaging, and quality (Rizza and Hapzi, 2017).

Product quality is a critical element for consumer decision making. Consequently, consumers will compare the quality of alternatives with regard to price within a category (Jin and Suh, 2005). Product quality becomes one of the things that are very important in a product purchase decision process, consumers in addition to looking at brand factors, price benefits, product quality and promotion are also a consideration, therefore the company must pay attention and continue to maintain the quality of the products it releases (Rizza and Hapzi, 2017). According to Rendy et al (2017) price and promotion are the other important factors effecting consumer decision making, price and promotion has significant and positive influence on the purchasing decision.

This research, hence, aims to identify the influence of product quality, price and promotion on purchasing decision of Produgen brand milk in Jakarta City.

LITERATURE REVIEW

Product Quality

Product quality is the ability of a product to perform its functions which includes performance, durability, reliability, accuracy, operation and other attributes, If a product has been able to run its functions it can be said as a product that has the quality (Kotler and Keller, 2013). Product quality can be defined as degree of excellent or superiority that an organization product process, product quality can encompass both the tangible and intangible aspect of firm product or service, in a technical sense, product quality can refer to physical traits such as feature, performance, reliability, durability, aesthetics, serviceability, and conformance (J. Paul and James H. Donnelly, 2004). The quality of the product is perception customers for the overall the characteristics of or of the nature of goods and influential in his or her capacity in fulfilling the inside the customer satisfaction in the product quality (Guiltiman, Madden, and Paul, 2000).

Price

Price is the only element of marketing mix who is generating revenue. Price is also communicating to the market about the image of value and the position of the product (Kotler and Keller, 2013). Dependent pricing priorities companies and other circumstantial factors, such as the condition of economic, the intensity level competition in the market. Company needs to take into account the level of price sensitivity to consumers, cost of making products and the prices it can compete in the market (Cravens dan Piercy, 2013). Price is the amount of money and or goods needed to acquire some combination of another goods and it's companying services (Stanton, 2002). The price is the ratio of formal that indicates the amount of money needed to obtain goods or services (Monroe, 2005). Price is measure of expressed value or wanting, usually expressed in monetary exchange. Price is element of marketing mix that serves to generate revenue, hence the setting of the price is a crucial for the organization (Czinkota and Kotabe, 2001)

Promotion

A strategy of promotion integrating communication organization initiative , a combination of advertising, personal selling, promotion sale, marketing interactive internet and public relations to communicate with buyers and affecting the purchase (Cravens and Piercy, 2013).

Purchase Decision

Purchase decision is an figure of consumer's evaluation of product attributes, services, brand, and rationally decided to purchase based on expected benefit and cost that will be paid (Hawkins and Mothersbaugh, 2010). The decision consumers to decide buy after evaluating several factors, such as brand , the location of the purchase , the number of how much it would buy , the time of purchase , as well as the method of payment that can be done (Kotler and Keller, 2013).

HYPOTHESIS

Product Quality Toward Purchase Decision

Product quality has significantly and positively influenced on purchase decision, The more positive an experience attained by customers, the greater influenced on purchase decision, vice versa (Hendra and Lusiah, 2017; Richard et al.. 2013; Shaharudin et all, 2011).

H₁: Product quality has positive and significant influence on purchase decision

Price Toward Purchase Decision

Price has significantly and positively influenced on purchase decision, The more positive an perception attained by customers, the greater influenced on purchase decision, vice versa (Christina et al.. 2014; Yuli and Shindy, 2017; Owusu, 2013).

H₂: Price has positive and significant influence on purchase decision

Promotion Toward Purchase Decision

Promotion has significantly and positively influenced on purchase decision, The more positive an promotion attained by customers, the greater influenced on purchase decision, vice versa (Mahmud et al.. 2014; Ali et al.. 2013; Syed et al.. 2015).

H₃: Promotion has positive and significant influence on purchase decision

Product Quality, Price and Promotion Toward Purchase Decision

Product Quality, Price and Promotion has significantly and positively influenced on purchase decision, The more positive an product quality, price and promotion received by customers, the greater influenced on purchase decision, vice versa (Rendy et al.. 2017; Indhumati and Ayub 2016; Thoria et al.. 2017).

H₄: Product quality, price and promotion has positive and significant influence on

**Table 1. Regression Data for Hypothesis 1
Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	40.145	3.716		10.803	.000
Product Quality	.268	.054	.450	4.993	.000

a. Dependent Variable: Purchase Decision

On this research is using $\alpha = 5\%$ and $t_{table} = 1.66$, as shown in Table 1. t value is 4.993 greater than 1.66 and p-value of 0.000, thus the hypothesis 1 is accepted. Product quality has positive and significant influence on purchase decisions.

H₂: Price has positive and significant influence on purchase decision

**Table 2. Regression Data for Hypothesis 2
Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	40.297	4.529		8.898	.000
Price	1.121	.276	.380	4.061	.000

a. Dependent Variable: Purchase Decision

On this research is using $\alpha = 5\%$ and $t_{table} = 1.66$, as shown in Table 2. t value is 4.061 greater than 1.66 and p-value of 0.000, thus the hypothesis 2 is accepted. Price has positive and significant influence on purchase decisions.

H₃: Promotion has positive and significant influence on purchase decision

**Table 3. Regression Data for Hypothesis 3
Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	34.981	3.897		8.977	.000
Promotion	.511	.084	.524	6.087	.000

a. Dependent Variable: Purchase Decision

On this research is using $\alpha = 5\%$ and $t_{table} = 1.66$, as shown in Table 3. t value is 6.087 greater than 1.66 and p-value of 0.000, thus the hypothesis 3 is accepted. Promotion has positive and significant influence on purchase decisions.

H4: Product Quality, Price and Promotion has positive and significant influence on purchase decision

Table 4. Regression Data for Hypothesis 4
ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	274.034	3	91.345	18.563	.000 ^b
Residual	472.406	96	4.921		
Total	746.440	99			

a. Dependent Variable: Purchase Decision

b. Predictors: (Constant), Promotion, Price, Product Quality

Table 5. Determination R₂ for Hypothesis 4
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.606 ^a	.367	.347	2.218

a. Predictors: (Constant), Promotion, Price, Product Quality

On this research is using $\alpha = 5\%$ and $F_{table} = 2.79$, as shown in Table 4. F value is 18.563 greater than 2.79 and p-value of 0.000, thus the hypothesis 4 is accepted. Product quality, price and promotion has positive and significant influence on purchase decisions. Influence factor of product quality, price and promotion on purchase decisions is 34,7% and about 65,3% are influence by other factors.

CONCLUSION

The study will be valuable for Produgen brand milk product manufactures in identifying the consumer purchase decision. This study was done to find out various factors under product quality, price, and promotion factors which impact consumer purchase decision. The study also identified 3 most important factors which is a combination of product quality, price, and promotion factor through factor analysis. The most important product quality factor for customer

is taste and Variance of product. Product quality factors also impact of purchase decision. Customers who prefer quality and health are purchase the product. Price factors also impact of purchase decision. The study shows that customers are buying Produgen brand milk product even though the price is high, because the product are healthy and quality. Promotion factors also impact of purchase decision. The study shows that customers preferring discounts to regular buyers, more often advertising in media such as television.

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