

The Influence of Price, Promotion, and Product Quality on Purchasing Decisions for Krampul Ice Tea in Sriwijaya, Semarang City (Case Study of Consumers of Krampul Ice Tea Drink Products in Sriwijaya, Semarang City)

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ABSTRACT

The purpose of this research is to determine the influence of price, promotion, product quality and purchasing decisions. The population in this study were all consumers of kerampul iced tea throughout the city of Semarang. The sampling technique used in this research is a non-probability sampling technique. The sample used in this research used 100 respondents. The data analysis method in this research is quantitative analysis. The analysis technique in this research is quantitative descriptive analysis and multiple linear regression methods using SPSS version 22. The results of this research analysis show that price has a positive and significant effect on the decision to purchase krampul iced tea. Promotion has a positive and significant effect on purchasing decisions for krampul iced tea. Product quality has a positive and significant effect on purchasing decisions for krampul iced tea. Price, promotion and product quality simultaneously have a positive and significant effect on purchasing decisions for krampul iced tea.

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

INTRODUCTION

In the current marketing era, business competition is increasingly fierce. Manufacturers must continue product innovation to maintain competitiveness and provide added value. Many individuals have recently started beverage businesses in response to society's essential need for beverages as a vital aspect for survival. Changes in people's preferences for drinks have changed the view of drinks from just a necessity to something that also fulfills the desire and need to stay hydrated in extreme hot conditions. Tea, as a popular drink, is the focus of innovation with a variety of flavors and modern, aesthetic designs.

Many beverage companies are inspired to continue to innovate their products, especially after the success of tea in the market. One popular innovation is tea with orange or lime juice floating in it. Tea drinks and other drink variants with a choice of unique flavors packaged in attractive and useful modern designs are currently popular among students and the wider community.

Krampul Ice Tea offers various drink variants at different prices, including Original Ice Tea, Krampul Ice Tea, and Orange Ice, which are customer favorites. Quality, price and promotion aspects influence the purchasing decision making process. According to Mankunegara (2017), purchasing decisions as part of consumer behavior are the beliefs that customers or consumers have when they decide what goods they want to buy. Product selection is influenced by these factors, including the marketing strategies used to reach consumers. Determining prices, product quality and promotions are important elements in marketing strategy. Competitive prices and good product quality can attract more customers.

Research by (Selly, 2022) shows that price has a significant influence on purchasing decisions. Likewise with product quality, research by (Intan 2019) shows that product quality has a significant impact on purchasing decisions. Meanwhile, Promotion also plays an important role. Effective promotions can also influence consumers to make purchasing decisions. Research by (Astuti, 2021) shows that promotions have a significant effect on purchasing decisions. Krampul Ice Tea, by focusing on product quality, price and successful promotions, can retain consumers. In the midst of intense market competition, Krampul Ice Tea needs to use smart marketing strategies to stay relevant. Consumer awareness of products, prices, and promotions plays an important role in purchasing decisions.

This research aims to analyze the influence of price, promotion and product quality on purchasing decisions for Krampul Ice Tea in Semarang City. By understanding the factors that influence purchasing decisions, Krampul Ice Tea can develop more effective marketing strategies to maintain its position and increase its market share.

LITERATURE REVIEW

Price

Price has a significant influence on consumer purchasing decisions. When consumers consider price, consumers usually look for a balance between the value consumers receive and the costs consumers incur. According to Mahmud Machfoed (2018) price is the monetary value that the buyer gives in return for the benefits obtained from owning or using the item. Research by (Selly, 2022) shows that price has a significant influence on purchasing decisions. Therefore, this research formulates a hypothesis:

H1: Price has a positive and significant effect on purchasing decisions

Promotion

Promotion is not just a medium of information or a way to attract attention, but as a tool to build relationships with consumers and increase product value. According to Laksana (2019), promotion is an exchange of information between traders and customers which aims to influence consumer opinions and actions by providing consumers with trustworthy information. This hypothesis is based on research from (Astuti, 2021) which states that promotions have a significant effect on purchasing decisions. Therefore, in this research, we formulate a hypothesis:

H2: Promotion has a positive and significant influence on purchasing decisions.

Product Quality

One of the main characteristics that buyers look for in manufacturers is the best product quality. The extent to which a product meets consumer demands and expectations is called its quality. According to Kotler and Armstrong (2018), the level of product quality is determined by how well a product meets the client's psychological and physiological needs, which indicates the nature or quality of the product or its results. Research by (Intan, 2019) states that product quality has a positive and significant influence on purchasing decisions. Therefore, in this research, we formulate a hypothesis:

H3: Product quality has a positive and significant influence on purchasing decisions

Purchase Decisions

Purchasing Decisions According to Mankunegara (2017), one part of consumer behavior is making purchases, which can be seen as a structure or demonstration of the beliefs held by customers or consumers when deciding what to buy. According to Assauri (2018). The purchasing process involves making decisions about what to buy and what not to buy. Consumer purchasing decisions are significantly and positively influenced by price, promotion and product quality. According to (Krisna et al., 2021) it shows that several factors such as product quality, price and promotion simultaneously have a positive and significant effect. Therefore, in this research, we formulate a hypothesis:

H4: Price, Promotion and Product Quality simultaneously have a positive and significant effect on purchasing decisions

RESEARCH METHOD

This research uses a quantitative approach, this study aims to test hypotheses and analyze the relationship between variables statistically.

The research variables consist of price, promotion, and product quality (independent), and purchasing decisions (dependent). The research population was all consumers of kerampul iced tea throughout the city of Semarang. The sampling technique used in this research is a non-probability sampling technique. The sample used in this research used 100 respondents. The data analysis method in this research is quantitative analysis.

Primary data collection was carried out through surveys, while secondary data was obtained from literature studies. The analysis technique in this research is quantitative descriptive analysis and multiple linear regression methods using SPSS version 22.

RESULTS

Respondent Descriptions

Table 1. Respondent Data

No.	Information	Amount	Total Presentase (%)
1.	Gender	Laki-Laki	24
		Perempuan	76
2.	Age	<20 Year	4
		20-30 Year	85
		30-40 Year	7
		40-50 Year	4
3.	Work	House Wife	6
		Private Employee	34
		University Student	34
		Operator	2
		Student	3
		Security	1
		Entrepreneur	17
		Unemplyment	2
		Civil Servant	1

Source: primary data processed, (2024)

Validity Test

Table 2. Validity Test Result

No	Variable	Statement Item	R hitung	R tabel	Significant Value	Information
1	Price (X1)	X1.1	0,743	0.195	0,000	Valid
		X1.2	0,826	0.195	0,000	Valid
		X1.3	0,763	0.195	0,000	Valid
		X1.4	0,796	0.195	0,000	Valid
2	Promotion (X2)	X2.1	0,725	0.195	0,000	Valid
		X2.2	0,872	0.195	0,000	Valid
		X2.3	0,903	0.195	0,000	Valid
		X2.4	0,798	0.195	0,000	Valid
3	Produc Quality (X3)	X3.1	0,870	0.195	0,000	Valid
		X3.2	0,860	0.195	0,000	Valid
		X3.3	0,826	0.195	0,000	Valid
		X3.4	0,747	0.195	0,000	Valid
4	Purchase Decision (Y)	Y1.1	0,822	0.195	0,000	Valid
		Y1.2	0,878	0.195	0,000	Valid
		Y1.3	0,852	0.195	0,000	Valid
		Y1.4	0,869	0.195	0,000	Valid

Source: primary data processed, (2024)

From the table above, it can be seen that all statement items from variable indicators have correlation coefficient values greater than r_{table} so it can be concluded that testing

can be carried out in this research to produce valid data. Next, a Reliability Test is given as follows:

Reliability Test

Tabel 3. Reliability Test Results

No	Variable	Cronbach's Alpha	Keterangan
1	Price	0,788	Reliabel
2	Promotion	0,854	Reliabel
3	Quality Produk	0,846	Reliabel
4	Purchase Decisions	0,876	Reliabel

Source: primary data processed, (2024)

From the table above, the Cronbach's Alpha results show that all questionnaire variables have a reliability level of more than 0.7, which indicates that the instrument is valid for assessing these variables.

Test the Classic Assumption

In this research, the regression model can be said to have classical assumptions if there are no symptoms of normality, multicollinearity and heteroscedasticity.

Normality Test

Table 4. Normality Test Result

Variable	Signifikance	Information
Unstandarized Residual menggunakan Asymp.sig	0,200	Normal

Source: primary data processed, (2024)

The table above shows that the one sample Kolmogorov-Smirnov test produces a significance value of 0.200 or known as Asymp.sig (2-tailed). Because the test results carried out using the asymptotic method are normally distributed.

Multikolinierity Test

Table 5. Multikolinierity Test Result

Variable	Tolerance	VIF	Information
Pengaruh Harga (X1)	0,416	2,403	Tidak terjadi mutikolinieritas
Promosi (X2)	0,357	2,804	Tidak terjadi mutikolinieritas
Kualitas Produk (X3)	0,409	2,444	Tidak terjadi mutikolinieritas

Source: primary data processed, (2024)

From the table above, all variables included in this study have a VIF value of less than 10 and a tolerance value of more than 0.10. The Price Influence variable has a tolerance value of 0.416 and a VIF of 2.403, while the Promotion variable has a tolerance value of 0.357 and a VIF of 2.804. The Tolerance and VIF Values of Product Quality are 0.409

and 2.444 respectively. The research regression model shows that there is no relationship between variables.

Heterokedastisitas Test

The following is a data table from the results of data processing using the scatterplot heteroscedasticity test:



Figure 1. Scatterplot Graph Result

Source: primary data processed, (2024)

The table above illustrates how the patterns and points are spread, both below and above zero. The Glejser test is an additional method for testing heteroscedasticity besides the scatterplot. The Glejser test regresses absolute residuals to determine whether the arrangement of variables used produces heteroscedasticity or not. The data table resulting from data processing using the Glajser test is presented below:

Table 6. Glejser Test Result

Variable	Sig	Information
Price (X1)	0,857	There is one heterokedasticity
Promotion (X2)	0,071	There is one heterokedasticity
Produc Quality (X3)	0,271	There is one heterokedasticity

Source: primary data processed, (2024)

From the table above, the significance value achieved is more than 0.05 as seen in Table 4.9. The three variables: Price Influence (0.857), Promotion (0.071), and Product Quality (0.271) have significant values. The processed data does not show heteroscedasticity because the value is greater than 0.05.

**Statiscal Model Test
 Multiple Linear Regression Anlysis**

Table 7. The Result of Regression Analysis

Variable	Konstanta	Koefisien Regresi	t Hitung	Sig	Conclusion
Price (X1)	1,013	0,242	2,686	0,009	Significance
Promotion (X2)		0,177	1.910	0,059	Significance
Produc Quality (X3)		0,513	5.742	0,000	Significance

Source: primary data processed, (2024)

From the table above, it provides the basic multiple linear regression equation, which is shown below:

$$Y = \alpha + \beta 1X_1 + \beta 2X_2 + \beta 3X_3 + e$$

$$Y = 1,013 + 0,242 + 0,177 + 0,513 + e$$

Hypothesis Test

Table 8. Statistical Result (Partial Test)

Variable	t Hitung	Sig	Conclusion
Price (X1)	2,686	0,009	Positive and Significant
Promotion (X2)	1,910	0,059	Positive and Significant
Produc Quality	5,742	0,000	Positive and Significant

Source: primary data processed, (2024)

From the table above, the results of the research hypothesis based on the data above are as follows:

1. Hypothesis 1 states that the price influence variable is a variable that influences purchasing decisions. Based on data analysis, it shows that the t_{count} value is $2.686 > t_{table}$ is 0.2347 with a significance level of $0.009 < 0.05$. Thus, it indicates that H1 is accepted, which means that partially the influence of price has a positive and significant effect on purchasing decisions.
2. Hypothesis 2 states that the Promotion variable is a variable that influences Purchasing Decisions. Based on data analysis, it shows that the t_{count} value is $1.910 > t_{table}$ is 0.2347 with a significance level of $0.059 > 0.05$. So it can be concluded that H2 is accepted, which means that promotion partially has a positive and significant effect on purchasing decisions.
3. Hypothesis 3 states that the Product Quality variable is a variable that influences purchasing decisions. Based on data analysis, it shows that the t_{count} value is $5.742 > t_{table}$ is 0.2347 with a significance level of $0.000 < 0.05$. So it can be concluded that H3 is accepted, which means that product quality is partially positive and significant on purchasing decisions.

Test F (Simultaneous Test)

Table 9. Test F Result

Model	Sum of Squares	Df	Mean Square	F	Sig
Regression	387,968	3	129,323	73,801	0,000
Residual	168,222	96	1,752		
Total	556,19	99			

Source: primary data processed, (2024)

From the table above, the significance level is more than 0.05 and the calculated F is smaller than F_{table} ; in this case, the variables in question have nothing to do with each other. At a significance level of 0.000, the results obtained are 73.801, more than 2.698, and 0.000, less than 0.005 and less than 0.005. So, it can be said that advertising, product quality, and price all play an important role in shaping a consumer's final purchase.

Coefficient of Determination (R^2)

Table 10
The Result of The Determination Coefficient

Model	Adjusted Square	R
1	0,688	

Source: primary data processed, (2024)

From the table above, the resulting Adjusted R Square value is 0.688 as seen in table 4.14. Price, marketing and product quality (X) account for 68.8% of the factors that influence purchasing choices (Y). Based on the research results, X has an influence of 68.8% on Y, the dependent variable.

DISCUSSION

The Influence of Price on Purchasing Decisions

This shows how the choice to buy Krampul tea is very stable and how the price affects the final price. The t statistical test with the calculated $t_value > t_table$ value is $2.686 > 0.2347$ with a significance level of $0.009 < 0.05$. This means that the H1 statement is accepted, which means that the Price Influence variable (X1) partially has a positive and significant effect on Purchasing Decisions (Y). According to Kotler and Armstrong (2019), the term "price" refers to the monetary costs that customers must bear to obtain a product or service, or the value that they must exchange to gain benefits from the purchase. Price availability as a determinant of the price of Krampul iced tea has an impact on customer purchasing decisions, according to research findings.

This is in line with previous findings from the same research group, as reported in the article "The Influence of Price, Product Quality and Promotion on Ambon Product Purchasing Decisions" (2022) published in the journal. These data are somewhat in accordance with previous research, based on the t statistical test using SPSS version 19, it has a significance value of $0.01 > 0.05$.

The Effect of Promotions on Purchasing Decisions

Based on the study findings, promotions significantly and beneficially influence consumers' purchasing decisions. This shows that promotions designed to attract customer interest are very attractive and effective because the marketing plan is well thought out, thus ensuring smooth campaign implementation. This is shown by the t statistical test with a t_count value $> t_table$ value of $1.910 > 0.2347$ with a significance level of $0.059 > 0.05$. That means the statement H_3 is accepted, which means that partially the Promotion variable (X2) has a positive and significant effect on Purchasing Decisions (Y). According to Fandy Tjiptono (2018), the purpose of promotion, one of the components of the marketing mix, is to remind, educate and convince customers about the company's name and goods. Laksana (2019) defines promotion as a dialogue between vendors and consumers that starts with accurate information and tries to change the attitudes and behavior of consumers from those who have never heard of it to those who have heard of it, making them aware of the product and encouraging them to buy it.

Rini Astuti's research (2021) from a journal article entitled "The Influence of Promotion and Product Quality on Purchase Decisions for Converse Brand Shoes" supports this idea. This confirms the results of previous research which shows that the t statistic uses a t value of $4.891 > 2.011$.

The Influence of Product Quality on Purchasing Decisions

Based on the results of this research, product quality has a large and profitable influence on purchasing decisions. This proves that the quality of the products offered has a big influence on Krampul consumers' purchasing decisions. The t-statistic, with a significance threshold of $0.000 < 0.05$ and a calculated t value $> t_{(table)}$ of $5.742 > 0.2347$, can show this. This proves that the third hypothesis is correct, namely that the Product Quality variable (X3) has a positive and statistically significant effect on decisions. Schiffman and Kanuk (2017) state that one measure of product quality is the organization's ability to provide different characteristics to each product that help buyers recognize it. As stated by Armstrong and Kotler (2018). Product quality can be used as a tactical advantage over competitors. The quality capacity of a product to meet various needs, such as precision, reliability, durability, and ease of use.

In line with this, the 2019 research entitled "The Influence of Product Quality, Price and Promotion on Purchasing Decisions on the Shopee Marketplace" was published in the journal Kurnia Intan Devi. For example, consider the statistical test with a calculated t_value of 1.179, significant at the level of $0.239 > 0.05$, indicating that there is some product quality.

The influence of price, promotion and product quality simultaneously has a positive influence on purchasing decisions

Based on the research results, it shows that the three research variables used have a positive and significant effect on purchasing decisions. This means that it shows that the influence of price, promotion and product quality that Krampul Ice Tea has on attracting consumer interest is very interesting and good enough so that these three variables go hand in hand and are sufficient. This can be seen from the F statistical test with a value of $F_{count} > F_{(table)}$ of $73.801 > 2.698$ with a significance level of $0.000 > 0.005$. This means that the statement H₄ is accepted, which means that all the variables used in this research, namely the influence of price, promotion and product quality variables together (simultaneously) have a positive and significant influence on purchasing decisions. Kotler and Armstrong (2019) state that "price" is the monetary cost that customers must bear to obtain a product or service, or the value they must exchange for the opportunity to gain a profit from the purchase. Promotion according to Fandy Tjiptono (2018) is a marketing mix component that concentrates on initiatives to enlighten, convince and attract attention to the brand and its products.

The research presented here is consistent with research published in the Kotler and Armstrong (2020) publication with the title "The Influence of Price, Promotion and Product Quality on Indomie Consumer Purchasing Decisions".

CONCLUSION

Based on the research results, it can be concluded that the price variable has a positive and significant effect on purchasing decisions for Krampul iced tea. Promotion variables have a positive and significant effect on purchasing decisions for Krampul Iced Tea. The product quality variable has a positive and significant effect on purchasing decisions for Krampul iced tea. The variables Price, Promotion and Product Quality simultaneously have a positive and significant effect on Purchasing Decisions for Krampul Iced Tea.

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