

## The Influence of Price, Product Quality and Promotion on Customers Purchase Intention of Pasteurized Milk Products

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### Abstract:

This study uses the multiple linear regression method using the SPSS 20 application. Results of the equation  $Y = -5.130 + 0.249X_1 + 0.747X_2 + 0.409X_3$  for multiple linear regression. There is a partial effect of product quality (X1) on consumer buying interest, according to the findings of the t-test on the product quality variable (X1) (t-count value of 5.220 > t-table value of 1.992). (Y). There is a somewhat significant influence of promotion on consumer buying interest, as indicated by the promotion variable's (X2) t-count value of 7.379 > t-table 1.992. (Y). There is a relationship between the price of pasteurized milk and consumer purchasing interest, as indicated by the price variable (X3) having a t-count value of 2.304 > t-table 1.992. (Y). Partly, and the results of the F test show that there is an effect of product quality (X1), promotion (X2), and price (X3) of milk on consumer buying interest (Y) at the same time (f-count value of 170.823 > f-table 2.73). (simultaneously).

**Keywords:** product quality, promotion, price, purchase interest, customer, milk.

### Introduction

Milk growth in Indonesia is still low, but it doesn't just stop with producers producing pasteurized milk products to be sold to consumers as daily necessities. One of the dairy farming businesses, especially in the East Jakarta area, is the CMP,

which is a place where pure milk is processed into pasteurized milk. There is a lack of public awareness of consuming milk, so to attract consumers, a dairy production business must be able to have product innovation and provide motivation for the interest in consuming milk as a necessity and health for the body, one of which is pasteurized milk as the product of choice for consumers by providing good quality, ranging from milk freshness, milk durability, and milk packaging. This production facility must continue to produce milk and be able to raise the quality of that production in order to sustain consumer interest in it and to make them happy that their needs have been met by the desired product (Mulia, 2018).

Quality must be measurable through a view of the quality of the product itself, so that consumers who want to have a product match what they want and need. To get good-quality milk products, it can be seen from the milking of fresh cow's milk itself, starting from the provision of animal feed and the surrounding weather conditions. In addition to the outcomes of milking cows, it's important to consider how long processed milk will last. Storage of milk at room temperature only lasts 6 hours; in the cold room, it can last for 3 days, and storage in the freezer can last 1 month. This means that milk processing is still traditional or simple, and there is no modern processing equipment such as machines. In addition, milk processing does not use preservatives. Milk is a way of preserving milk through heating it to 72°C; the resulting milk product still has the same taste and shape as fresh milk and has a shelf life of 8 to 10 days. Heating at temperatures below this boiling point causes milk to still be infected with a number of microorganisms.

One of the primary positioning strategies used by marketers is product quality, which directly affects how well a product performs. For this reason, value and consumer happiness are intimately tied to quality (Parulian & Tannady, 2023). Goods are everything that producers can provide to the market in order for it to be noticed, desired, sought for, acquired, used, or consumed in order to satisfy its requirements or desires. Products include tangible items, services, individuals, locations, businesses, and concepts. Manufacturers have been involved in meeting consumer needs, causing each company to be able to set prices for a product. Price greatly determines the continuity of the company in running its business, because price is one of the foundations of whether a product or item is sold or not when it is sold and the price set does not make consumers feel at a loss. Price is the sum of money or other materials required to achieve a combination of other items and the delivery of services (Arifin & Hadi, 2007).

In addition, to increase market share and sales widely, companies must also be active by promoting products and offering them to consumers through various media or word of mouth. In terms of promotion, consumers can know that the company has a variety of products needed by consumers. This company has a promotion system through two media, including online social media such as website profiles, Instagram, Facebook, Twitter, and Tokopedia, and print media such as banners and brochures (Firmansyah, 2019). To increase the sales value, they sell directly through their own stores as well as through orders, especially to consumers who want to become resellers. Based on the results of the researcher's direct observations by searching on online social media, the company still lacks promotion of dairy products, so there are still consumers who do not know about the existence of this company as a milk processing facility in the Jakarta area. Promotion is a technique designed to sell products. Promotion is part of the communication mix, in which all messages conveyed by the company to consumers regarding its product (Griffin & Ebert, 2007).

## **Literature Review**

One of the primary positioning strategies used by marketers is product quality. The effectiveness of a product or service is directly impacted by quality. Thus, value and consumer happiness are intimately tied to quality. While the promotion of the word promote in English is defined as developing or improving. Promotions are activities carried out by companies actively to encourage consumers to buy the products offered. In addition, promotions function to influence consumer decisions to buy a particular product (Kotler & Armstrong, 2008). The goal of promotional efforts is to inform and communicate with the public about the existence of the product, its features, advantages, and benefits, as well as its costs and where and how to buy it (Tannady & Purnamaningsih, 2023). Promotional activities are important, especially in this era of information disclosure, when the public has been filled with a flood of information. Therefore, companies must choose an effective way to convey news to the public. One component of the marketing mix, price, creates revenue while other components cause costs (Kotler & Keller, 2009). Product characteristics, distribution routes, and even communication require more time to change than price, which is maybe the simplest aspect of a marketing program (Simamora, 2014). The intended value positioning of a company's product or brand in the market

is also communicated through price. Products that are well-designed and effectively promoted can command high prices and make substantial profits (Pandiangan et al., 2022). Consumer interest in purchasing is the outcome of an internal appraisal of a product that has been seen, and there is a desire to buy in order to obtain the desired thing (Sutrisno et al., 2022). Customer buying interest develops after being stimulated by the product he sees; from there, a desire to try the product develops before, at last, the want to buy it so you may possess it (Sutagana et al., 2022).

## Methodology

Both primary and secondary sources were employed to gather the information. Both qualitative and quantitative data are employed in this study. In this study, observation, interviews, and questionnaires were the main sources of data. The Likert scale was the sort of measurement scale utilized in this investigation. The population in this study is made up of all milk consumers. This sampling technique uses accidental sampling. Methods of processing and data analysis used in this study used quantitative analysis. This analysis uses multiple linear regression using SPSS version 20 and Microsoft Excel 2010 as data processing tools.

## Case studies

In terms of gender, there are more female respondents (52 people, or 66.7%) than male respondents (26 people, or 33.3%), who make up the majority of the sample. This demonstrates that the majority of respondents who buy dairy products are female. According to respondent characteristics based on age, respondents between the ages of 18 and 25 make up 35 people with a percentage of 44.9%; respondents between the ages of 27 and 36 make up 29 people with a percentage of 37.2%; respondents between the ages of 37 and 46 make up 9 people with a percentage of 11.5%; and respondents over the age of 47 make up 5 people with a percentage of 6.4%. According to the study's findings, respondents who are still relatively young at the time of milk product purchases fall into the age range of 18 to 26. The number of respondents who work as instructors is 15, with a percentage of 19.2%; the number of respondents who identify as entrepreneurs is 19, with a percentage of 24.4%; and the number of respondents who identify as students is 17, with a percentage of 21.8%. There were 27 replies, representing a percentage of 34.6%, to the question about characteristics of a housewife. According to the study's findings, housewives make up 27 percent of the sample, which indicates that they predominate among consumers of milk products.

Respondent characteristics based on product knowledge through electronic media have a total of 19 respondents with a percentage of 24.4%; characteristics of product knowledge through family or friends have a total of 54 respondents with a percentage of 69.5%; and other product knowledge characteristics not mentioned by there are a total of 5 responders, making up a 6.4% percentage. According to the study's findings, out of a total of 54 respondents, the respondents' characteristics based on product knowledge are usually learned via family or friends. Purchase intensity 1 time has a number of respondents of 38 with a percentage of 48.7%; purchase intensity 2–5 times has a number of respondents of 37 with a percentage of 47.4%; purchase intensity 7–9 times has a number of respondents of 3 with a percentage of 3.8%. According to the study's findings, there were 38 respondents who fit the profile of the respondents based on how frequently they made purchases. A number of respondents believe that the reason for purchasing is simple to obtain. 13 people with a percentage of 16.7%; the reason for buying a quality product has a number of respondents of 23 people with a percentage of 29.5%; the reason for buying is because of promotions has a number of respondents of 15 people with a percentage of 19.2%; and the reason for purchasing the product according to its quality has a number of respondents of 27 persons, or 34.6% of the population. The findings of this research note that the reason for purchasing the most is the price statement according to the quality, with the number of respondents reaching as many as 27.

With a regression coefficient of + 0.249 for the product quality variable, it follows that rising product quality will raise consumer interest in purchasing. Conversely, if the product quality variable decreases, consumer buying interest will decrease, assuming other variables remain constant. This positive sign indicates a direct influence between product quality and consumer interest in buying. Product quality affects consumer interest in buying because the more quality given to a product by providing new innovations, the greater the consumer's interest in buying if it continues to provide good quality. Many, or at least a majority, of consumers buying interests are influenced by holidays. The promotion

coefficient's impact on consumer purchasing interest is +0.747, indicating that if the quality of the promotion improves while the other independent variables stay the same, consumer purchasing interest will also rise. Conversely, if the promotion quality variable decreases, consumer buying interest will decrease, assuming other variables remain constant. This encouraging sign suggests a one-way relationship between promotions and consumer purchasing enthusiasm. Because advertising is crucial to raising milk sales levels so that customers can continue to learn about the latest information, it has an impact on consumer buying interest. By distributing questionnaires to respondents from 6 variables, including advertising, sales personal selling, sales promotion, public relations, word of mouth, and direct marketing, the findings of the promotion quality coefficient values are determined. The worth of the price coefficient on consumer buying interest is +0.409, which means that prices are more affordable, which will result in an increase in consumer buying interest. Conversely, if the price variable becomes more expensive, consumer buying interest will decrease, assuming other variables are constant. This positive sign indicates a unidirectional influence between price and consumer interest in buying. The price of milk affects consumer interest because the price has been set. The results of the price quality coefficient values are obtained based on the calculation of the total promotion quality variable by distributing questionnaires to respondents on three indicators, including price affordability, price discounts or rebates, and method of payment.

The t-count value is 5.220 > the t-table value is 1.992 for the product quality variable (X1). Moreover, a sig. of 0.000 < 0.05. As a result, it may be said that H0 is rejected and Ha1 is accepted, indicating that there is some correlation between product quality and consumer interest in purchasing. Product quality affects consumer interest in buying because consumers will be satisfied if they receive a good-quality product. Increasing product quality by providing innovations such as taste, packaging, or design will increase consumer interest in buying the product because a product that is continuously developed with innovation will encourage consumers to buy the product. One of the primary positioning tactics used by marketers is product quality. The effectiveness of a product or service is directly impacted by quality. Thus, value and consumer happiness are intimately tied to quality.

Promotion variable (X2): sig. of 0.000 < 0.05, t-count value of 7.379 > t-table value of 1.992. In light of the fact that H0 is disproved and Ha2 is accepted, it may be said that there is some interaction between marketing and consumer interest in purchasing. Because one of the campaigns that has drawn consumers is one that promotes dairy products, promotion has an impact on consumer buying interest. This promotion is carried out using social media, print media, word of mouth, and tourism education, so that consumers can easily find information quickly. Promotions are activities carried out actively by companies to encourage consumers to buy the products offered. In addition, promotions function to influence consumer decisions to buy a particular product.

Price variable (X3): sig. of 0.024 < 0.05, t-count value of 2.304 > t-table value of 1.992. Hence, it can be said that H0 is rejected and Ha3 is approved, indicating that price quality and consumer interest in buying have a partial influence. Prices affect consumer interest because prices have so far been cheap and can be reached by all groups, and the prices offered are quite competitive compared to those of other pasteurized milk products. There is a price fix that is determined as a form of targeting the market; with a product, there must be a price so that consumers can have the product they want. Pricing is the value that customers exchange for a benefit associated with purchasing, using, or consuming products and services.

The simultaneous hypothesis test findings show that the f-value is 170.823 and that the significance level is 0.000. F-table with 78 samples, 4 variables, a level of confidence of 95%, a significant level of 0.05,  $df_1 = k-1 = 4-1 = 3$ , and  $df_2 = n-k = 78-3 = 75$  acquired a 2.73 value for the f-table. Given that H0 is rejected and Ha is approved and that the f-count is 170.823 > f-table 2.73 and the sig. 0.000 sig. value is 0.000, sig. 0.05, it can be claimed that product quality (X1), promotion (X2), and price (X3) all simultaneously affect consumer buying interest (Y). A very strong correlation or relationship exists between the independent variables, which include product quality, promotion, and price, and the dependent variable, which is consumers' purchase intention, as evidenced by the test results of the coefficient of determination, which are equal to 0.935 and the number is positive. The independent variables of product quality, promotion, and price contribute 86.7% to consumer buying interest, according to adjusted R Square (R<sup>2</sup>) of 0.867, or 86.7%, while the remaining 13.3% is explained by other causal factors outside of this study, such as product design variables that affect consumer buying interest.

## Conclusion

Characteristics of respondents based on gender were female; based on age, 18–25 years old dominated; based on work, housewives dominated; based on product knowledge dominated by statements of family/friend information; based on purchasing intensity dominated by 1 time statement; based on purchase reasons dominated by statements of price according to quality. Factors that influence product quality, promotion, and price on consumer buying interest are the function of a product, its external form, product cost, funds used for promotion, market characteristics, product types, marketing objectives, marketing mix strategy, costs, market and demand, consumer perceptions, attitudes of others, unanticipated factors, concern, interest, desire, and belief. Consumer interest in purchasing milk is influenced by product quality, promotion, and price all at the same time.

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