

The Effect of Product Quality, Price, and Promotion on Consumers' Purchase Decisions

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Abstract

Introduction/Main Objectives: Main objectives in this study is to determine the effect of Product Quality, Price, and Promotion on AMDK Purchasing Decisions on consumers.

Background Problems: In the Bottled Drinking Water (AMDK) industry, competition is increasingly intense along with the high consumer demand for quality and affordable products. Batu City with many tourists and local residents who need quality drinking water to support their activities. AMDK with the advantages of maintained water quality and natural mineral content, with competitive prices, and effective promotional strategies can create opportunities for AMDK to expand its market share.

Research Methods: The method used in this study is a quantitative method. The sampling method used in this study is non-probability sampling with a sample of 100 consumers. Data collection obtained through questionnaires processed using multiple linear analysis techniques and the tests used are research instrument tests, classical assumption tests and hypothesis tests.

Finding/Results: The results of this study indicate that product quality, price, and promotion have a positive and significant influence on purchasing decisions. Good product quality fosters consumer trust and satisfaction. AMDK must maintain drinking water product quality standards, including clarity, fresh taste, and beneficial mineral content. Furthermore, AMDK must ensure that the key benefits of its products are clearly and easily communicated.

Conclusion: The company needs to optimize its promotional strategy to increase AMDK's competitiveness in the market. Utilizing digital media, engaging promotional campaigns, and collaborating with various parties can strengthen the brand and customer loyalty. Furthermore, well-targeted promotions not only attract new customers but also retain existing ones. Promotion plays a crucial role in shaping purchasing decisions, so the company must continuously innovate its marketing strategy to remain relevant and competitive in the Batu City market.

Keywords: Product Quality, Price, Promotion and Purchase Decision



Introduction

Indonesia's economic growth over the past decade has shown significant progress and has led to increased competition across various industrial sectors, including the bottled drinking water (AMDK) industry. Rising public awareness of the importance of health and a healthy lifestyle has driven the consumption of mineral water as a primary daily necessity. This situation creates significant market opportunities and intensifies competition among bottled water brands in Indonesia. The national bottled water industry is dominated by several major brands such as Aqua, AMDK, Ades, Cleo, and Club. Top Brand Award data from 2022–2024 shows a quite interesting competitive dynamic. Although Aqua still dominates the market, its share is trending downward, while AMDK shows a significant upward trend, from 12.50% in 2022 to 18.80% in 2024. This phenomenon demonstrates that a relatively new brand like AMDK is able to strengthen its position amidst intense market competition.

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From a marketing management perspective, consumer purchasing decisions are influenced by various factors, including product quality, price, and promotion. According to Tjiptono (2008), product quality is a product's ability to meet consumer needs and expectations. In the context of bottled water, quality is measured not only by purity and mineral content, but also by packaging security and brand image. AMDK emphasizes the superiority of natural minerals and packaging with security seals as a form of product differentiation to build consumer trust. Besides quality, price is a crucial factor in the alternative evaluation process before consumers make a purchasing decision. Kotler and Armstrong (2010) state that price is the sum of the values consumers exchange for the benefits of a product. In the bottled water industry, which is a routine necessity, consumers tend to be price sensitive and compare various brands before purchasing. Therefore, a competitive pricing strategy is key to winning the market competition.

Promotional factors also play a strategic role in influencing consumer perceptions and purchasing decisions. Mursid (2010) explains that promotion is a form of persuasive communication designed to influence consumer attitudes and behavior. AMDK actively engages in various forms of promotion, from digital campaigns and sponsorships of sporting events to television advertisements with the tagline "Kaya ada manis-manisnya!". This marketing communications strategy aims to build a healthy, natural, and modern brand image in the minds of consumers. Although various previous studies have examined the influence of product quality, price, and promotion on purchasing decisions, most of these studies were conducted on general consumer products or in large urban areas. Research specifically examining the influence of these three variables on AMDK brand bottled water is relatively limited. This is despite the fact that Batu City is one of the areas with high mineral water consumption, supported by its characteristics as a tourist city with dynamic population mobility. This situation makes Batu City a relevant location to examine consumer purchasing behavior towards bottled water products.

Based on the phenomenon of competition in the bottled water industry, the increasing position of the AMDK brand in the Top Brand Index, and the importance of understanding the factors influencing consumer purchasing decisions, this research is crucial. This study aims to analyze the influence of product quality, price, and promotion on purchasing decisions of AMDK brand bottled water customers.

Research Methods

This research examines the relationship between product quality (X1), price (X2), promotion (X3), and consumers' purchase decisions (Y). Investigating the relationship, 5-points Likert scale is used. The sample size is 100 based on the Lemmshow calculation, and the sampling technique is accidental sampling. Each variable has its own definition of operational as shown in Table 1.

Table 1. Operational Matrix of Variables

Variables	Definition of Operational	Indicators
Product quality	characteristics of a product or service that bear on its ability to satisfy stated or implied customer needs.	Colors Appearance Shape Texture Taste
Price	the amount of money spent by a customer to obtain the use or benefit or ownership of goods and services, price is also part of the marketing mix that generates revenue and another part of the cost of acquisition	Affordability Price matches product quality Price competitiveness Price matches benefits Price can influence consumer decisions
Promotion	Promotional activities have the aim of influencing purchases or increasing sales and maintaining consumer interest in purchasing the product.	Message Media Time Frequency
Purchase Decision	A problem-solving activity carried out by consumers in the form of purchasing a AMDK product	Pengenalan Masalah Pencarian Informasi Evaluasi Alternatif Keputusan Pembelian Perilaku Pasca Pembelian

Source: explained (2025)

Validity and reliability testing were conducted on the research instrument. Validity testing is a tool to measure the validity of a research indicator. An indicator is considered valid if it can measure what it is intended to measure. The results of validity testing are not universally applicable, meaning an indicator can have a high validity value at a certain time and place, but will become invalid if the time and place are different. Therefore, a validity test is necessary first to determine the quality of the indicator on the variables to be studied (Dr.Aglis & Slamet, 2023). The method for determining decisions in this test is as follows:

1. If the calculated $r \geq$ table r , the indicator is considered positive and valid.
2. If the calculated $r \leq$ table r , the indicator is considered negative and invalid.

Besides validity testing, there is also reliability testing. According to (Dr.Aglis & Slamet, 2023), reliability testing is the level of stability or accuracy of a measuring instrument in measuring a symptom/event to be measured, such as measuring a questionnaire that is an indicator of a

variable. A questionnaire is said to be reliable if a person's answers to all items (questionnaire) are stable over time. The higher the reliability of a measuring instrument, the more stable the measuring instrument is. Reliability testing can be seen in the Cronbach Alpha (α) value; a variable is declared reliable if it produces a Cronbach Alpha (α) > 0.60 . The method for determining decisions in this test is as follows (Sahid, 2021):

1. If the Cronbach Alpha (α) value is > 0.60 , the questionnaire is declared reliable.
2. If the Cronbach Alpha (α) value is < 0.60 , the questionnaire is declared unreliable.

After the data was collected, a classical assumption test was conducted, consisting of a normality test, a heteroscedasticity test, and a multicollinearity test. To obtain valid results from the classical assumption test, it must be known whether the data is normally distributed. Data that is normally distributed based on the Kolmogorov-Smirnov test with a decision result if the significance is greater than $\alpha = 0.05$ (5% error rate) is normal data (Irfan Syahroni, 2023). Data that is normally distributed based on the Histogram test is if the test results produce a perfect bell-shaped histogram graph, while data that is normal according to the Probability Plot test is if the test results show points spread along a diagonal line (Djuli Sjafei Purba et al., 2021). The Kolmogorov-Smirnov value formula has the following hypothesis (Sahid, 2014):

Ho: The data is normally distributed.

H1: The data is not normally distributed.

Therefore, the following hypotheses can be formulated from the normality test:

1. If the significance value is > 0.05 , the research data is normally distributed.
2. If the significance value is < 0.05 , the research data is not normally distributed.

The next step is the multicollinearity test, which is used to determine whether there is a correlation between the independent variables. If the multicollinearity test results show a tolerance value > 0.01 and a variance inflation factor (VIF) value < 10 , the regression model is free from multicollinearity (Djuli Sjafei Purba et al., 2021). There are two methods for calculating multicollinearity (Studio, 2023):

1. Observing the tolerance value
 - If the tolerance value > 0.10 , it means there is no multicollinearity.
 - If the tolerance value < 0.10 , it means there is multicollinearity in the regression model.
2. Observing the VIF value
 - If the VIF value < 10.00 , it means there is no multicollinearity.
 - If the VIF value > 10.00 , it means there is multicollinearity in the regression model.

Then there's the heteroscedasticity test, which tests whether the residual variances from one observation to another are unequal in the regression model (Djuli Sjafei Purba et al., 2021). This test is determined by examining the scatter plot graph between the predicted values of the dependent variable and the independent variable, followed by the Glejser test. The results of the scatter plot test show that if the points are randomly distributed and do not form a pattern, it is concluded that there is no similarity in the residual variances from one observation to another, indicating that heteroscedasticity does not occur in the regression model. The basis for decision-making using the Glejser test is as follows:

1. If the significance value is > 0.05 , it means there are no symptoms of heteroscedasticity.
2. If the significance value is < 0.05 , it means there are symptoms of heteroscedasticity.

Furthermore, the t-test, or partial test, aims to determine the effect of the individual independent variable (X) on variable Y. The significance level used is 0.05. If the significance value is less than the confidence level, it means the alternative hypothesis states that the independent

variables partially influence the dependent variable (Sudariana & Yoedani, 2022). The steps to accept or reject a hypothesis are as follows:

1. If the calculated t-value is greater than the t-table, H_0 is rejected and H_a is accepted. This means the independent variable has a significant effect on the dependent variable.
2. If the calculated t-value is less than the t-table, H_0 is accepted and H_a is rejected. This means the independent variable does not have a significant effect on the dependent variable.

To simplify calculations, all of the above tests will use the SPSS application

Result

This study involved 100 consumers of AMDK . Data were collected through questionnaires. The respondent characteristics include:

1. Gender
2. Age
3. Monthly Income
4. Frequency of Purchase/Consumption

Below is a structured and systematic presentation of the respondent data.

A. Respondents by Gender

Table 2. Gender Distribution

No	Gender	Frequency	Percentage (%)	Cumulative Percentage (%)
1	Male	57	57.0	57.0
2	Female	43	43.0	100.0
	Total	100	100.0	

The majority of respondents are male (57%), while female respondents account for 43%. This indicates that most AMDK consumers are male.

B. Respondents by Age

Table 3. Age Distribution

No	Age Group	Frequency	Percentage (%)	Cumulative Percentage (%)
1	< 18 years	7	7.0	7.0
2	18 – 24 years	26	26.0	33.0
3	25 – 31 years	44	44.0	77.0
4	31 – 37 years	21	21.0	98.0
5	> 37 years	2	2.0	100.0
	Total	100	100.0	

The largest age group is 25–31 years (44%), indicating that young adults dominate AMDK consumption .

C. Respondents by Monthly Income

Table 4. Monthly Income Distribution

No	Monthly Income (IDR)	Frequency	Percentage (%)
1	< 3,000,000	35	35.0
2	3,000,000 – 5,000,000	51	51.0
3	5,000,000 – 7,000,000	14	14.0
4	7,000,000 – 10,000,000	0	0.0
Total		100	100.0

Most consumers (51%) earn between IDR 3,000,000 – 5,000,000 per month. This suggests that AMDK primarily targets middle-income consumers.

D. Frequency of Consuming AMDK

Table 5. Consumption Frequency

No	Consumption Frequency	Frequency	Percentage (%)
1	Every day	23	23.0
2	1–2 times per week	29	29.0
3	Several times per month	30	30.0
4	Rarely	18	18.0
Total		100	100.0

The majority of respondents consume AMDK several times per month (30%). Only 18% consume it rarely. This indicates that AMDK has relatively stable consumption frequency among customers .

Discussion

This study analyzes the influence of **Product Quality, Price, and Promotion** on the **Purchase Decision** of AMDK consumers .

Effect of Product Quality on Purchase Decision

The results show that **product quality has a positive and significant effect** on purchase decisions (sig < 0.05). Consumers perceive AMDK as having clear water, good taste, hygienic packaging, and durable bottles. These attributes increase consumer trust and encourage repeat purchases. This finding is consistent with previous studies stating that product quality is a key determinant in consumer purchasing behavior.

Effect of Price on Purchase Decision

Price also has a **positive and significant effect** on purchase decisions (sig < 0.05). Most respondents consider the price affordable and appropriate to the quality offered. Given that the majority of consumers earn IDR 3,000,000–5,000,000 per month, competitive pricing plays an important role in attracting middle-income consumers. This result supports previous research that price fairness influences purchasing decisions.

Effect of Promotion on Purchase Decision

Promotion significantly influences purchase decisions ($\text{sig} < 0.05$). Consumers respond positively to clear advertising messages, frequent promotions, and product availability. In Batu City, promotional exposure through media and retail channels strengthens brand awareness and encourages purchase intention.

Simultaneous Effect

Simultaneously, product quality, price, and promotion significantly affect purchase decisions (F-test $\text{sig} = 0.000$). The coefficient of determination ($R^2 = 0.683$) indicates that 68.3% of purchase decisions are explained by these three variables, while 31.7% are influenced by other factors.

Conclusion

This study demonstrates that product quality, price, and promotion significantly influence the purchase decisions of AMDK bottled drinking water. High product quality, competitive pricing, and effective, appealing promotions enhance consumer trust, satisfaction, and loyalty. The findings highlight the importance of an integrated marketing strategy, where AMDK should maintain high water quality standards, clearly communicate product benefits through packaging and media, and optimize digital promotions and collaborations to strengthen brand image and competitiveness in the local market.

Despite the relevance of these findings, the study has some limitations, including respondents' unfamiliarity with certain questions and rushed questionnaire completion, which may affect response consistency. Future research is recommended to explore additional variables such as brand image, customer loyalty, location, or consumer behavior, and to use more detailed, up-to-date indicators to achieve more comprehensive and applicable results. This approach can provide a stronger foundation for strategic decision-making and marketing innovation in the future.

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