

The Influence of Product Quality Perception and Price Perception on the Purchase Decision of Sosro Bottled Tea in Surabaya

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Abstract

Based on Top Brand Index data, there has been a decline in sales of Teh Botol Sosro since 2018. This indicates a decrease in purchasing decisions. The purpose of this study is to determine the influence of product quality perception and price perception on the purchase decision of Sosro Bottled Tea in Surabaya. The method in this study uses quantitative methods. The data collection technique in this study used purposive sampling. The population in this study is consumers of Sosro Bottled Tea in Surabaya. The sample in this study amounted to 100 respondents. The data analysis technique used in this study used multiple linear regression method. The results of this study are 1. Based on the results of calculations and data analysis, it is known that Product Quality Perception has a significant positive effect on the purchase decision of Teh Botol Sosro in Surabaya, which means that if the Perception of Product Quality of Teh Botol Sosro increases it will be in line with consumer purchasing decisions. 2. Based on the results of calculations and data analysis, it is known that Price Perception has a significant positive effect on the purchase decision of Sosro Bottled Tea in Surabaya, which means that Price Perception is in line with consumer purchasing decisions.

Keywords: Purchase decision; Price perception; Perception of Product Quality.

INTRODUCTION

The progress of the industrial sector today is spurred by increasingly sophisticated technological advances and improvements in science. One example is the rapid growth of the packaged beverage industry. This can be seen from the many types of packaged beverage products available on the market. An example is an industry that produces ready-to-drink tea drinks in packaging. Along with the development of lifestyle and times, comfort and convenience become major factors in influencing the purchase decision of beverage products. This is what drives the rapid growth of packaged food and beverage companies in Indonesia today.

Tea is a very popular drink in Indonesia. Its popularity cannot be separated from the culture of drinking tea which has become a habit in Indonesian society. This habit is done regardless of a certain time, although most people are more likely to drink tea in the morning, but not a few who consume it in the afternoon or night. Therefore, tea can be considered as a drink parallel to plain water, it can be drunk anytime and anywhere. In addition, the variety of tea presentation also varies according to taste, be it in the form of hot tea or tea served cold.

This factor contributes to the high level of tea consumption in Indonesia.

In Indonesia, various forms of tea are available for sale, including tea bags, powdered teas, and packaged teas. The high consumption of tea in Indonesia can be measured from data obtained from the Central Statistics Agency (BPS) in September 2021. The average consumption of tea bags per individual in a week reached 2.79 grams. Meanwhile, the consumption of powdered tea per individual in a week was about 0.041 ounces, and the consumption of packaged tea reached about 51.5 ml in the same month. Tea production in Indonesia reached 145.1 tons in 2021, showing an increase of 13.45% from the previous year which only reached 127.9 tons.

PT. Sinar Sosro, as a producer of ready-to-drink beverages under the famous brand Teh Botol Sosro, has the advantage of being a pioneer company in creating fragrant tea by mixing green tea and jasmine as basic ingredients. Since its establishment, PT. Sinar Sosro has proven its existence in this industry. The superior quality of its products has had a positive impact on market share. High-quality products tend to be more in demand by consumers, so as to expand the company's market share.

Although Teh Botol Sosro is widely known as the pioneer of ready-to-drink tea drinks in packaging, this does not mean that they do not face competition. Today, there are many other companies that also produce bottled tea such as Teh Pucuk Harum, Teh Gelas, Moun tea, and Frestea. In this competition, ready-to-drink tea beverage manufacturers strive to continue to develop their products in order to survive in fierce competition. Among these competitors, Teh Pucuk Harum can be regarded as the strongest competitor to Teh Botol Sosro today.

Table 1 Top Brand Index Data for Tea Drinks in Ready-to-Drink Packaging for 2017-2022

Brand Name	2017	2018	2019	2020	2021	2022
The Pucuk Harum	22.70%	32.30	35.20	34.70	36.80	32.60
Teh Gelas	12.60	9.60	13.80	13.00	12.50	10.50
Teh Botol Sosro	32.00	26.80	21.20	17.50	18.60	20.10
Moun tea	0	0	3.70	5.00	0	3.60
Fretea	6.30	9.20	8.50	10.40	11.80	10.40

Source : topbrand-award.com

According to data in the Top Brand Index table, Teh Botol Sosro, which previously topped the ranking in 2017, was forced to drop to second place in 2018 because it was shifted by Teh Pucuk Harum. After that, the score achieved by Teh Botol Sosro in the Top Brand Index continued to decline from 2018 to 2020. However, from 2021 to 2022, Teh Botol Sosro's score has increased although it is not enough to grab the top rank from Teh Pucuk Harum in the Top Brand Index. This data shows that the market share of Teh Botol Sosro over the past few years has been eroded by Teh Pucuk Harum. The downgrade of Teh Botol Sosro was caused by a decrease in the purchase decision of Teh Botol Sosro products. This condition requires immediate treatment so that Teh Botol Sosro can continue to compete in the ready-to-drink tea beverage market.

Quoted from mojok.co (2022), the survey states that the aroma of Sosro bottled tea gives a consistent fragrance from tea and jasmine, feels quite strong. Whether in a plastic or glass bottle, the aroma produced is almost the same. However, in terms of taste, Sosro bottled tea has a characteristic sepet taste and is slightly bitter after swallowing. The bitter taste can be balanced with a touch of sweetness that is felt. However, after consuming it, there is a lingering taste on the palate. As quoted from wartaekonomi.co.id (2018), marketing expert Yuswohady

from the results of his survey stated that Sosro bottled tea provides taste qualities that can increase thirst. From the quote above, it can be concluded that the taste of Sosro bottled tea is actually delicious with a strong aroma of tea and jasmine. However, there is a slight drawback, namely the bitter taste that may remain in the throat after consuming it, making thirst continuously appear. This suggests that Sosro's bottled tea may not be suitable for quenching thirst.

The view of product quality is one of the elements that influence purchasing decisions. Having a positive perception of product quality is crucial for a company to compete in a competitive market. In today's era, consumers have high standards in choosing the products they will buy. They want value proportional to the price they pay to get a product. Referring to Kotler and Keller (in Mas'ud, 2020), quality perception includes all characteristics and attributes of a product or service that affect its ability to meet expressed or implied needs. Therefore, PT. Sinar Sosro needs to pay special attention to the quality of the products they offer in order to increase the level of purchasing decisions for their products.

Not only the perception of product quality, the perception of price also has an important role in influencing purchasing decisions. According to Campbell in Cocril and Goode (in Darmansyah, 2020), price perception includes psychological aspects from various points of view that have a significant impact on consumer response to prices. For this reason, price perception is one of the factors that influence purchasing decisions.

Table 2 Price List of Tea Beverages in Ready-to-Drink Packaging

Tea Brand in Ready-to-Drink Packaging (350 ml)	Price Klikindomaret.com	Price Harga.web.id
Teh Botol Sosro	IDR 3,900	IDR 4,000
Teh Pucuk Harum	IDR 3,800	IDR 3,000
Teh Gelas	IDR 3,300	IDR 3,000
Freshtea	IDR 4,000	IDR 4,000

Source : klikindomaret.com and harga.web.id

Based on the price list above, it can be seen that ready-to-drink tea products from Teh Botol Sosro competitors have more affordable prices compared to Teh Botol Sosro itself. Only Freshtea displays the price above Teh Botol Sosro when viewed from klikindomaret.com site. However, on harga.web.id site, the price of Teh Botol Sosro and Freshtea is the same, which is around Rp 4,000. This price difference can affect the level of purchasing decisions of Sosro Tea Bottle consumers. This is because if consumers can get what they expect from Teh Botol Sosro products at a more affordable price than other products, then this will be a consideration in determining purchasing decisions. This is also in line with Khoirunnisa's (2021) view that price perception is the view of consumers regarding the amount of money they will spend to obtain a desired product or service, with a value commensurate with what is obtained after purchase.

The purchase decision process involves the consumer choosing between two or more options by combining the information they have. As expressed by Kotler (in Rohmatul, 2022), purchasing decision is a step where consumers consider whether or not to buy a product or service. This decision is influenced by a number of factors, including considerations of the quality of the product or service, its price, and the level of familiarity of the product or service in the community.

Literature Review

Product Quality Perception

The view of product quality is one of the crucial factors in business competition among service providers to consumers. Consumers always want products that provide quality in accordance with the value they issue. Therefore, the perception of product quality is an important key to achieve an advantage in market competition among business people.

According to Widyawati (in Andharesti, 2023), there are several indicators that determine the quality of a product or service, which in turn produces benefits or benefits for consumers.

1. Durability

Durability is how long a product can last in good condition before it has to be replaced.

2. Product Packaging Design

Packaging design refers to the appearance that is able to attract consumers to make purchases of the product.

3. Taste Quality

Taste quality refers to the consumer's evaluation of the taste of the product offered to the consumer. If consumers are satisfied with the taste of the product, the producer will maintain the taste in order to get many consumers.

Price Perception

Price perception is a personal perspective that individuals use to evaluate the price of a product. This is the way consumers perceive whether the price of a product or service is considered expensive or affordable.

Khoirunnisa (2021) defines price perception as an assessment from consumers regarding the amount of money that must be spent to obtain a product or service they want, with a value comparable to what is obtained after making a purchase.

There are several indicators to measure price perception, according to Venirra (2021) indicators of price perception are divided into three, namely:

- a. Price match with product quality

Consumers perceive that the price pegged by the company reflects the level of quality of the products offered. When consumers notice differences in quality among available products, they are more likely to choose higher-priced products. This is because consumers believe that a high price indicates that the product has high quality.

- b. Price match with benefits

Price is a representation of the value of a product. This value consists of a comparison between the benefits felt with the costs that must be incurred to obtain the product or service. If consumers feel that the benefits obtained from the product or service are less than the costs to be incurred, then they will assume that the product or service has a high price.

- c. Price competitiveness

A company sets prices for its products or services taking into account the prices offered by competitors for similar products or services. Consumers tend to compare prices before deciding to buy a product or service, because economic levels or cost tendencies greatly influence their purchasing decisions.

Purchasing Decision

The purchase decision process is a step taken by consumers in choosing to buy a product or service. The factors that influence this purchasing decision vary widely, as consumers have a desire for the product or service they are buying to meet their expectations. Therefore, companies need to conduct an accurate analysis related to consumer desires and expectations of certain products or services. Thus, companies can design the right marketing strategy to achieve their goals.

According to Arfah (2022), purchasing decisions are stages that occur before the behavioral process after purchase. When entering this stage, consumers are faced with a variety of choices and considerations that drive them to make purchasing decisions based on their personal preferences.

Pradana et al. (2018) categorize purchasing decision indicators into four parts.

a. Steadiness of buying after knowing product information

Shoppers expect access to as much information as possible when making a purchase decision, so they can feel more reassuring when making a purchase decision.

b. Decide to buy because the brand is most liked

While there are many similar brands available, consumers tend to choose products or services that are their favorite brands when making purchasing decisions.

c. Buy because it suits your wants and needs.

Buyers make purchasing decisions because they believe that the product or service can meet their needs and wants.

d. Buy because you get recommendations from others

Suggestions or recommendations from others have the potential to influence consumer purchasing decisions. If the recommendation is positive, then the likelihood of the consumer to decide to make a purchase will increase.

The Relationship Between Product Quality Perception and Purchasing Decisions

Fandy and Anastasia (as quoted in Putriansari, 2019) explained that quality perception is a way for consumers to assess the quality of products or services through their own experiences. Quality is measured based on the extent to which a product or service can meet consumer needs.

When consumers perceive the quality of a product as high, this results in increased confidence in the product. Therefore, consumer satisfaction or dissatisfaction with the product has a significant impact on consumer behavior.

Sutejo and Halim (2022) have tested and proven that product quality perception has a positive and significant impact on purchasing decisions. The results of this study show that when companies produce products with superior quality and are able to meet consumer needs, this will affect the level of purchasing decisions by consumers.

The Relationship Between Price Perception and Purchasing Decisions

According to Khoirunnisa (2021), price perception is the way consumers perceive the amount of money they have to pay to get the product or service they want, with consideration of whether the value is comparable to what they receive after making a purchase.

In principle, consumers want value in proportion between quality and the price they pay to meet their needs. Price is often considered a measure of quality, and consumers tend to consider price as an important factor in choosing a product.

The results of research conducted by Pramana (2023) show that in the context of

purchasing decisions, there is a positive influence between price perception and purchase decisions. In other words, price perception has a beneficial impact on purchasing decisions.

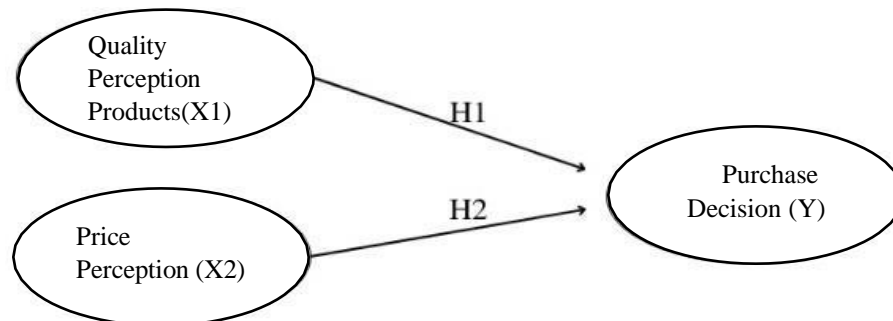


Figure 1 Conceptual Framework

Based on the theoretical foundation and conceptual framework that has been made, the hypotheses that can be proposed in this study are as follows:

1. Hypothesis I: It is suspected that the perception of product quality has a positive influence on the purchase decision of Teh Botol Sosro in the city of Surabaya.
2. Hypothesis II: It is suspected that price perception has a positive influence on the purchase decision of Teh Botol Sosro in the city of Surabaya.

RESEARCH METHODS

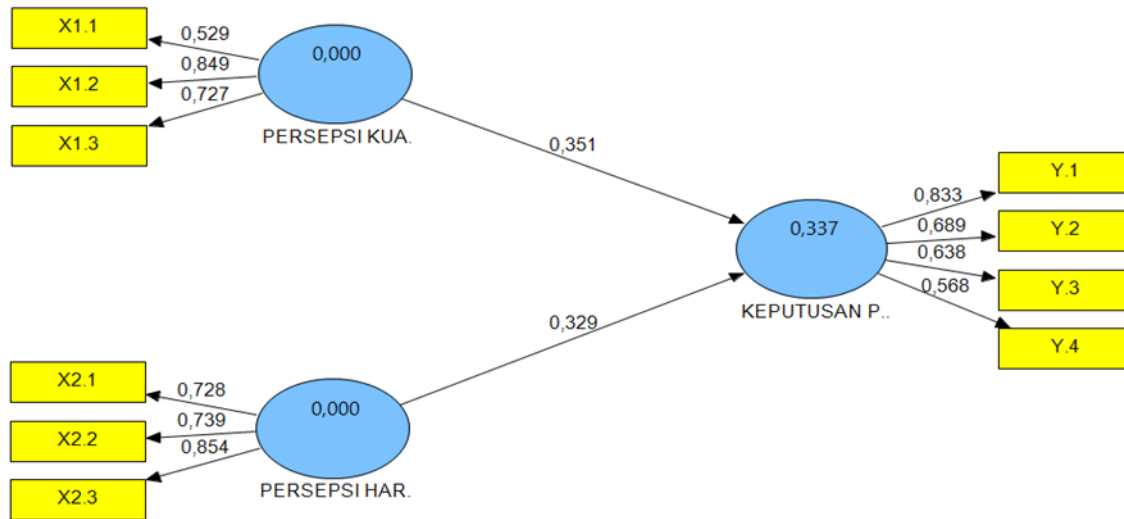
This research method uses quantitative methods. The population used in this study is consumers of Teh Botol Sosro in Surabaya. Sampling techniques in this study are Non probability sampling, Non probability sampling, which is a technique that does not provide equal opportunities or opportunities for every element or member of the population selected as a sample. The sampling technique used in this study is a purposive sampling technique, namely with certain considerations, namely 1) Consumers of ready-to-drink tea drinks brand Teh Botol Sosro 2) Minimum age 17 years 3) Domiciled in Surabaya

In this study, variable measurement uses ordinal scales by applying scale weighting techniques, especially the Likert method. According to Sugiyono (2015), the Likert scale is a measurement tool used to assess the attitudes, opinions, and perceptions of individuals or groups towards social phenomena. Variables are measured and used as the basis for compiling instrument items, which can be statements or questions. The PLS (Partial Least Square) analysis method is used to determine cause-and-effect relationships between the variables involved.

RESULTS OF RESEARCH AND DISCUSSION

Data Analysis and Hypothesis Testing

Outer Model Analysis



Source : data processing, *SmartPLS output*

Figure 2 Outer Model with Loading Factor, Path Coefficient, and R-Square

From the attached PLS diagram, we can observe the load factor value of each indicator located above the arrow that connects the variable with the indicator. In addition, we can also see path coefficients located above the arrow line that connects exogenous variables with endogenous variables. In addition, the R-Square is also seen inside the circle which represents the endogenous variable, i.e. the Purchase Decision variable.

In this study, the measurement model uses exogenous variables that have reflective indicators, including Product Quality Perception (X1) and Price Perception (X2) variables, as well as endogenous variables, namely Purchase Decision (Y). To assess the validity of the indicator, one way is to refer to the Output Outer Loads table. The validity factor can be seen from the magnitude of the load factor value, because all indicators in this modeling are reflective.

Hypothesis Testing

Furthermore, for hypothesis testing, we can see the results of the coefficient and T-statistic value of the inner model in the following table.

Table 3. Image of Inner Model with significance value of T-Statistic Bootstrapping

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STERR)	P Values
PRODUCT QUALITY PERCEPTION (X1) -> PURCHASING DECISION (Y)	0,350603	0,377545	0,094380	3,714803	0,000
PRICE PERCEPTION (X2) -> PURCHASE DECISION (Y)	0,329169	0,326546	0,092815	3,546496	0,001

From the table above it can be concluded that the hypothesis states :

Hypothesis 1: It is suspected that the perception of product quality has a positive influence on the purchase decision of Teh Botol Sosro in Surabaya **acceptable** with *Path Coefficients* 0.350603, and the value *T-statistic* $3.714803 > 1.96$ (from table value $Z\alpha = 0.05$) or P-Value $0.000 < 0.05$, with the result **Significant** (positive).

Hypothesis 2: It is suspected that price perception has a positive influence on the decision to purchase Teh Botol Sosro in Surabaya **acceptable** with *Path Coefficients* 0.329169, and the value *T-statistic* $3.546496 > 1.96$ (from table values $Z\alpha = 0.05$) or P-Value $0.001 < 0.05$, with the result **Significant** (positive).

The Influence of Product Quality Perception on Purchasing Decisions

The results of this study show that the variable Product Quality Perception has a positive and significant influence on the purchase decision of Teh Botol Sosro in Surabaya. Therefore, the hypothesis that states that the perception of product quality affects the purchase decision of Teh Botol Sosro in Surabaya is acceptable. More specifically, the better the perception of product quality, the more the decision to purchase Teh Botol Sosro in Surabaya.

In conclusion, product packaging design is the most influential indicator on the perception of product quality. This means that if the packaging design of Teh Botol Sosro is attractive, it can improve the purchase decision of the product. In addition, the attractive packaging design also makes it easier for consumers to remember products from Teh Botol Sosro. Therefore, it can be concluded that the quality of products trusted by consumers greatly influences purchasing decisions. Conversely, if the perception of product quality is not good, then purchasing decisions also tend to be less positive.

The findings of this study received support from a study conducted by Sutejo and Halim (2022), which also showed that product quality perceptions positively affect purchasing decisions. In addition, research by Ela (2019) also produced similar findings that product quality perceptions have a positive impact on purchasing decisions.

From the statement above, it can be concluded that the better the perception of product quality provided by the company, the purchase decision will also increase.

The Influence of Price Perception on Purchasing Decisions

The results of this study show that price perception has a positive and significant influence on the purchase decision of Teh Botol Sosro in Surabaya. Therefore, the hypothesis that price perception affects the purchase decision of Teh Botol Sosro in Surabaya is acceptable. More specifically, the better the formation of price perception, the more the decision to purchase Teh Botol Sosro in Surabaya.

In other words, price competitiveness is the indicator that most influences price perception. This means that if the price of Teh Botol Sosro can compete with other competitors, then it will most likely be easy to attract potential customers. Therefore, it can be concluded that the formation of a good price perception by the company will improve the purchase decision. Conversely, if the perception of price is not good, then purchasing decisions tend to be less positive.

This finding is supported by research conducted by Pramana (2023), where the results show that price perception has a positive influence on purchasing decisions. The results of this study are also in line with findings from research by Rachmadani (2022), which also shows that price perception has a positive and significant effect on purchasing decisions.

From the statement above, it is concluded that the better the price perception given by the company, the purchase decision will also increase.

CONCLUSION

The results of PLS analysis show that the perception of product quality contributes to the purchase decision of Teh Botol Sosro in Surabaya. In other words, the better the perception of product quality provided by Teh Botol Sosro to consumers, the level of purchasing decisions of Teh Botol Sosro in Surabaya City will increase. In addition, price perception also has an influence on the purchase decision of Teh Botol Sosro in Surabaya. Thus, the better the Teh Botol Sosro company forms price perception, the better the level of purchasing decision of Teh Botol Sosro in Surabaya City.

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