International Journal of Economy, Education, and Entrepreneurship
p-ISSN: 2798-0138 | e-ISSN: 2798-012X
Vol. 4, No. 2, August 2024
https://doi.org/10.53067/ije3.v4i2

THE EFFECT OF PRODUCT QUALITY AND ADVERTISEMENTS ON PURCHASE DECISION OF TEH PUCUK HARUM IN SURABAYA

Abyansyah Hayyu Sarwono[1], Ec. Hery Pudjoprastyono[2*]
[1,2]Universitas Pembangunan Nasional Veteran Jawa Timur, Surabaya, Indonesia
Email: *20012010191@student.upnjatim.ac.id[1], heryp.ma@upnjatim.ac.id[2]*

Abstract

With the progression of time, the food and beverage industry has seen a rise in competition, prompting companies to implement various strategies to attract consumer interest and drive purchase decisions. Enhancing product quality and creating engaging advertisements are key strategies to influence consumer behavior. This study aims to investigate the impact of Product Quality and Advertising on Purchase Decisions, specifically focusing on Teh Pucuk Harum products in Surabaya. Employing a quantitative approach, the research targets individuals who have consumed Teh Pucuk Harum, are residents of Surabaya, and are at least 17 years old. The sample comprises 108 respondents from Surabaya. All tests performed using SmartPLS software met the reliability criteria. The study uses a quantitative research design with data analysis involving descriptive statistics and PLS analysis. The findings reveal that both Product Quality and Advertising significantly affect Purchase Decisions for Teh Pucuk Harum in Surabaya.

Keywords: Product Quality, Advertisements, Purchase Decision

INTRODUCTION

Over time, there have been significant developments in Indonesia, particularly in the food and beverage industry. This is evident from the intense competition among players in the food and beverage sector, who employ various marketing strategies by adapting to the culture, behavior, and habits of the society, which have become trends. The culture of drinking tea is one such trend currently popular among the public. Tea is not only delicious and refreshing but can also be enjoyed in any situation.

One of the companies in the food and beverage industry that is actively competing in the era of globalization with intense competition is Mayora Indah, also known as PT. Mayora Indah Tbk. (Mayora Group). Founded on February 17, 1977, one of its prominent products in Indonesia is Teh Pucuk Harum. According to the Top Brand Index 2024, Teh Pucuk Harum has experienced fluctuating trends but has maintained a leading position over the past five years. It achieved its highest Top Brand Index of 36.8% in 2021, although this declined to 30.60% in Q1 2023.

One of the reasons for the percentage decline experienced by Teh Pucuk Harum is inadequate product quality, such as high sugar content, resulting in a taste that is too sweet and unpleasant in the throat, leading to coughing. Additionally, product durability has also contributed to the decline, such as Teh Pucuk Harum's packaging being easily dented and a lack of attention to expiration dates, which has led to a decline in the product's taste quality. This aligns with research conducted by Swesti Mahardini et al. (2023), which found that Product Quality significantly influences purchasing decisions. Another study by Anwar R (2024) also found that purchasing decisions are influenced by Product Quality and Advertising.

Based on the phenomena described, the researcher aims to further investigate whether the theories of Product Quality and Advertising affect purchasing decisions for Teh Pucuk Harum in Surabaya, both individually and together. This study seeks to address the limitations of previous models by thoroughly examining the impact of product quality and advertising on purchasing decisions. Consequently, the researcher proposes the following hypotheses: H1: Product Quality is suspected to positively influence purchasing decisions for Teh Pucuk Harum in Surabaya; H2: Advertising is suspected to positively influence purchasing decisions for Teh Pucuk Harum in Surabaya.

METHOD

This study employs a quantitative approach, with data collected through questionnaires distributed via Google Forms. The study population comprises residents of Surabaya who have consumed Teh Pucuk Harum. Sampling was carried out using non-probability techniques, specifically accidental or incidental sampling, where respondents were selected based on random encounters with the researcher and deemed suitable as data sources. According to sample measurement guidelines by Hair et al. (2010), the sample size is determined by multiplying the number of indicators by 5 to 10. Thus, for this study, with 18 indicators, the sample size is 18 x 6, resulting in 108 respondents. The measurement scale used is an ordinal scale with a Likert weighting technique, ranging from 1 to 5. Data analysis is conducted using Structural Equation Modeling (SEM) with the component-based Partial Least Squares (PLS) analysis tool.

RESULTS AND DISCUSSION

The data in this study were obtained from respondents' answers collected through questionnaires distributed to residents of Surabaya who had consumed Teh Pucuk Harum. Of the 108 respondents who completed the questionnaire, it was found that 55 respondents, or 50.9%, were male, while 53 respondents, or 49.1%, were female.

Evaluation Outlier

An outlier exists if the Mahalanobis Distance Maximum > Prob. & the number of variables [=CHIINV (0.001;18): found through Excel] = 55.68291.

Table 1 Tabel *Residual Statistic*

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	14.9485	83.5497	54.5000	12.92002	108
Std. Predicted Value	-3.061	2.248	.000	1.000	108
Standard Error of Predicted Value	3.886	22.115	12.644	3.524	108
Adjusted Predicted Value	14.9319	115.9751	54.4727	16.14069	108
Residual	-63.77742	58.79565	.00000	28.53197	108
Std. Residual	-2.039	1.879	.000	.912	108
Stud. Residual	-2.554	2.149	.000	1.031	108
Deleted Residual	-112.97513	85.00480	.02735	36.98135	108
Stud. Deleted Residual	-2.638	2.194	.000	1.040	108
Mahal. Distance	.660	52.477	17.833	10.276	108
Cook's Distance	.000	.343	.017	.040	108
Centered Leverage Value	.006	.490	.167	.096	108

The Mahal Distance Maximum value for the respondents' data is 52.477, which is less than the 55.68291 determined Mahalanobis Distance Maximum outlier value, according to the outlier test table. This shows that the data is of excellent quality and may be further processed with a sample size of 108 respondents, as there are no outliers in the data.

Interpretation Results PLS

When the T-Statistic value (Z-value at $\alpha = 0.05$) is larger than 1.96 or the Factor Loading value from the variable to its indicators is greater than 0.5, it is considered a valid indicator.

Table 2 Outer Loadings (Mean, STDEV, T-Values)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (|O/STERR|)
X1.1.1 <- Performance	0.847787	0.842485	0.032344	0.032344	26.211595
X1.1.2 <- Performance	0.864850	0.861283	0.024709	0.024709	35.001531
X1.2.1 <- Reliability	0.832045	0.811216	0.103131	0.103131	8.067871
X1.2.2 <- Reliability	0.609875	0.610052	0.167477	0.167477	3.641550
X1.3.1 <-Conformance To Specifications	0.754123	0.747006	0.056658	0.056658	13.309977
X1.3.2 <-Conformance To Specifications	0.841790	0.840547	0.034717	0.034717	24.247027
X1.4.1 <- Durability	0.778572	0.781449	0.048985	0.048985	15.894022
X1.4.2 <- Durability	0.767233	0.755585	0.069876	0.069876	10.979914
X1.5.1 <- Perceived Quality	0.799668	0.795257	0.044017	0.044017	18.167092
X1.5.2 <- Perceived Quality	0.825882	0.829019	0.024498	0.024498	33.711521
X2.1 <- Advertisement	0.472900	0.455853	0.115598	0.115598	4.090912
X2.2 <- Advertisement	0.750042	0.742351	0.061553	0.061553	12.185350
X2.3 <- Advertisement	0.772456	0.768382	0.037588	0.037588	20.550838
X2.4 <- Advertisement	0.699726	0.695952	0.062533	0.062533	11.189761
Y1 <- Purchase Decisions	0.835160	0.832169	0.028108	0.028108	29.712666
Y2 <- Purchase Decisions	0.827339	0.822615	0.037616	0.037616	21.994488
Y3 <- Purchase Decisions	0.820859	0.813414	0.034436	0.034436	23.837432
Y4 <- Purchase Decisions	0.802149	0.800736	0.032979	0.032979	24.323035

The outer loading table above shows that all reflected indicators have values greater than 0.50 and/or are significant (with T-Statistic values exceeding the Z-value of 1.96 at $\alpha = 0.05$ or 5%) for each dimension of the Product Quality, Advertising, and Purchase Decision variables. Consequently, all of the reflective indicators' estimation results in this study are regarded as meeting excellent

validity or convergent validity.

The Cross Loading table can also be used to assess the indicators' validity. A factor loading is considered valid if the loading value of each indicator on its corresponding variable is higher than the loading values of that indicator on other variables. Conversely, if the factor loading value is lower for a variable compared to other indicators, it is seen as indicative of potential validity issues.

Table 3 *Cross Loading*

	Advertisement	Reliability	Conformance To Specifications	Durability	Performance	Perceived Quality	Purchase Decision
X1.1.1	0.482842	0.415301	0.397198	0.547712	0.847787	0.457796	0.540301
X1.1.2	0.655593	0.387794	0.437778	0.544377	0.864850	0.550559	0.629350
X1.2.1	0.418474	0.832045	0.410626	0.302120	0.380032	0.420745	0.341291
X1.2.2	0.265740	0.609875	0.266657	0.196394	0.299440	0.253237	0.275293
X1.3.1	0.536737	0.362211	0.754123	0.338179	0.407834	0.340408	0.388312
X1.3.2	0.521417	0.395726	0.841790	0.410015	0.378142	0.632177	0.521127
X1.4.1	0.454283	0.255759	0.307025	0.778572	0.511910	0.473387	0.452219
X1.4.2	0.401153	0.284352	0.421880	0.767233	0.473100	0.362281	0.436737
X1.5.1	0.511505	0.447506	0.399313	0.423291	0.500060	0.799668	0.437529
X1.5.2	0.579663	0.328764	0.608859	0.456104	0.460890	0.825882	0.554727
X2.1	0.472900	0.313757	0.364622	0.261031	0.285529	0.180377	0.239973
X2.2	0.750042	0.323572	0.433596	0.315952	0.479325	0.336721	0.508512
X2.3	0.772456	0.345864	0.475336	0.480105	0.540033	0.537110	0.547924
X2.4	0.699726	0.357327	0.528026	0.428326	0.475324	0.671541	0.538870
Y1	0.557595	0.364497	0.430872	0.304611	0.506183	0.417028	0.835160
Y2	0.601880	0.290244	0.493292	0.503580	0.525223	0.492939	0.827339
Y3	0.560920	0.363489	0.494712	0.541438	0.587601	0.552614	0.820859
Y4	0.576778	0.374472	0.463703	0.516226	0.618081	0.535510	0.802149

All factor loading values for each indicator in the dimensions of the Product Quality variable, as well as the Advertising and Purchase Decision variables, indicate factor loading values higher than those of indicators from other variables, according to the results of the cross-loading data analysis. It

is therefore possible to conclude that every indicator used in this study has good validity or satisfies the validity requirements.

The Average Variance Extracted (AVE) measurement model is the next one, and it shows how much variance a latent variable can capture from its indicators. When the AVE value is higher than 0.5, it indicates appropriate validity for the latent variable and is regarded as good convergent validity. To guarantee a high-quality model for reflecting indicators, the Average Variance Extracted (AVE) for every construct (variable) should be more than 0.5.

Table 4 *Average Varianve Extracted* (AVE)

	AVE
Product Quality	0.791785
Advertisement	0.868125
Purchase Decisions	0.674809

Based on the AVE testing results, the Product Quality variable has an AVE of 0.791785, the Advertising variable has an AVE of 0.868125, and the Purchase Decision variable has an AVE of 0.674809.

The constructs (dimensions) and variables in this study exhibit strong validity overall, as all AVE values exceed 0.5. Furthermore, when the composite reliability value surpasses 0.70, it indicates that the indicators are reliable in measuring their respective variables, thereby confirming the dependability of the construct reliability.

Table 5 *Composite Realibility*

	Composite Reliability
Product Quality	0.862698
Advertisement	0.773458
Purchase Decisions	0.892457

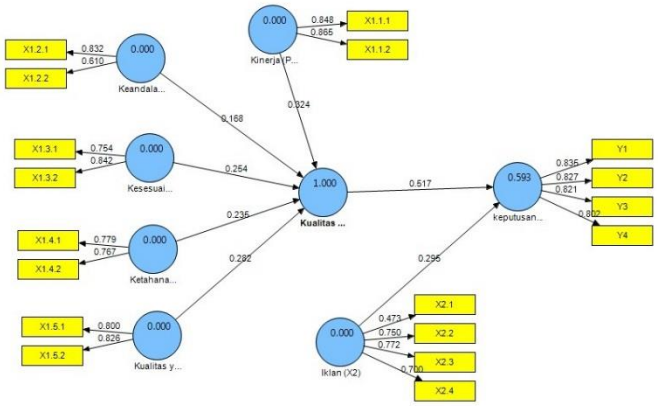
The composite reliability for the Product Quality variable is 0.862698, for the Advertising variable is 0.773458, and for the Purchase Decision variable is 0.892457. These results indicate that all composite reliability scores exceed 0.70, confirming that the variables and constructs in this study are generally reliable.

As shown in the table of latent variable correlations above, variables or constructs in PLS can be correlated with each other, either between exogenous and endogenous variables or among exogenous variables themselves. The correlation between variables can reach a maximum value of 1, with higher correlations indicating values closer to 1.

Table 6 *Latent Variable Correlations*

	Advertisement	Product Quality	Purchase Decision
Advertisement	1.000000		
Product Quality		1.000000	
Purchase Decision	0.700104	0.747955	1.000000

The average correlation values between the variables exceed 0.6, as shown in the latent variable correlations table above. The strongest correlation, with a value of 0.747955, is between Purchase Decision and Product Quality. This indicates that, among the variable associations in the research model, the relationship between Purchase Decision and Product Quality is the most significant. It also suggests that, in this study model, Product Quality has a greater influence on Purchase Decision than the Advertising variable does.



In the outer model diagram above, the factor loading values for each indicator are displayed above the arrows connecting the indicators to the variables. The path coefficients are presented above the arrows linking the exogenous and endogenous variables. Additionally, the R-Square values are indicated within the circles representing the endogenous variables.

In structural model testing, the goodness-of-fit is assessed by examining the R-Square values. These values, found in the equations involving latent variables, are utilized to evaluate the inner model. The R-Square value indicates how well the exogenous (independent) variables in the model explain the endogenous (dependent) variables.

Table 7 R-*Square*

	R Square
Product Quality	
Advertisement	
Purchase Decision	0.592884

There is a 0.592884 R2 value. This indicates that 59.28% of the variation in consumer purchase decisions caused by exogenous variables like advertising and product quality can be explained by the model. Variables beyond the purview of this study account for 40.72% of the remaining percentage (excluding Product Quality and Advertising).

The following table presents the findings of the T-statistics and coefficients from the inner model, which can be used to test the hypotheses.

Table 8 *Path Coefficients (Mean, STDEV, T-Values,P-Values)*

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T-Statistics (|O/STERR|)
Product Quality -> Purchase Decision	0.516709	0.513657	0.088023	0.088023	5.870132
Advertisement -> Purchase Decision	0.294826	0.300837	0.104586	0.104586	2.818985

The hypothesis that Product Quality influences Purchase Decisions favourably is found to be accepted based on the preceding table, where the T-Statistic value of 5.870132 and the path coefficient of 0.516709 are both greater than the Zα= 0.05 (5%) value of 1.96. It is therefore deemed noteworthy (good). Likewise, the hypothesis that states advertising influences purchase decisions in a positive way is also accepted, as evidenced by the path coefficient of 0.294826 and the T-Statistic value of 2.818985, both of which are higher than the 1.96 Zα= 0.05 (5%) value. As a result, this outcome is likewise regarded as noteworthy (good).

CONCLUSION

The study's findings and the PLS testing results indicate that advertising and product quality significantly influence consumers' purchasing decisions: The decision to buy Teh Pucuk Harum is heavily influenced by the quality of the product. This implies that selections to buy Teh Pucuk Harum will rise in tandem with its quality improvement and upkeep. As a result, decisions to buy are greatly influenced in a favourable way by product quality. Similar to this, Teh Pucuk Harum's purchase decision is influenced by advertising. This suggests that commercials with greater visual appeal and inventiveness influence consumers to make more purchases. As a result, advertising also significantly influences consumers' decisions to buy.

The study's findings imply a number of recommendations that can be taken into consideration and used as decision-making material. First, it has been demonstrated that product quality can affect consumers' decisions to buy Pucuk Harum Tea products, with the factor loading indicator of product

suitability and efficiency accounting for the largest percentage of the influence. As a result, the company must constantly maintain its standards for the production process, maintain premium and high-quality ingredient selection, and control product quality.

It has been demonstrated that Teh Pucuk Harum's advertisements can sway consumers' decisions to buy Teh Pucuk Harum products, with the largest percentage being the factor loading indicator that can generate desire. Therefore, it is advised that businesses create or conceptualise advertisements as engaging as they can while staying current with trends, in order to pique consumers' interest and desire to buy Teh Pucuk Harum products. Additionally, businesses should distribute their advertisements more widely across all platforms, including social media and the newest internet media that are in high demand, in addition to television, to increase the number of consumers who will buy Teh Pucuk Harum products. This gives customers more options when it comes to making purchases.

It is advised that future research include variables not included in this study or add new ones, such as pricing, brand personality, and celebrity endorsement, in order to improve the findings of this study.

REFERENCES

Alamsyah, W. F. (n.d.). *JEBIDI (Jurnal Ekonomi Bisnis Digital) Pengaruh Kualitas Produk Dan Harga Terhadap Keputusan Pembelian Konsumen Skincare MS GLOW*. https://doi.org/doi.org/jebidi.v2n1.630

Anwar R, R. H. M. R. (2024). Pengaruh Iklan, Harga, Dan Kualitas Produk Terhadap Penjualan Melalui Marketplace Laptop Axioo. *SENTRI: Jurnal Riset Ilmiah*, *3*(3), 1695–1710.

Ferdiana, R., & Yuwono, I. (2023). Pengaruh Brand Image, Harga dan Iklan (Reyka Ferdiana, dkk. *Jurnal Ilmiah Multidisiplin*, *1*(7), 2986–6340. https://doi.org/10.5281/zenodo.8216419

Gozent Sisentia, A., & Siahaan, S. L. (2024). Pengaruh Kualitas Produk, Harga dan Iklan Terhadap Keputusan Pembelian Mie Instan Merek Indomie PT. Indofood di Lingkungan Mahasiswa Asaindo. *Jurnal Cendekia Ilmiah*, *3*(2).

Hariyanto, M., Alviansyah, I., Studi, P., & Syar'ah, E. (2023). *Pengaruh Harga, Kualitas Produk Dan Label Halal Terhadap Keputusan Pembelian Minuman Xing Fu Tang (Studi Pada Mahasiswa Universitas Muhammadiyah Yogyakarta)*.

Harjadi, D., & Arraniri, I. (2021). *Experiental Marketing & Kualitas Produk dalam Kepuasan*. Penerbit Insania.

Hartinah, A. S., Alim, S., & Br, K. S. (2023). SEIKO: Journal of Management & Business Pengaruh Kualitas Produk, Harga, Dan Gaya Hidup Generasi Z Terhadap Keputusan Pembelian Mixue Ice Cream &Tea. *SEIKO: Journal of Management & Business*, *6*(2), 345–353.

Hasman, H. C. P., Natalina, C., & Alfifto. (2021). Pengaruh Advertising dan Personal Selling Terhadap Keputusan Pembelian Sepeda Motor Honda. *Jurnal Manajemen Tools*, *13*(2), 1–8.

Hidayat, M. S., Kunci, K., Produk, K., Layanan, K., & Pembelian, K. (2021). Pengaruh Kualitas Produk, Harga, Lokasi, Promosi Dan Kualitas Layanan Terhadap Keputusan Pembelian Konsumen Coffee Shop di Kota Gresik. In *PERFORMA: Jurnal Manajemen dan Start-Up Bisnis* (Vol. 6, Issue 4).

Ilaisyah, H. L., & Sulistyowati, R. (2020). Pengaruh Brand Ambassador Dan Iklan Terhadap Keputusan Pembelian Konsumen Pada Marketplace Tokopedia. *Jurnal Pendidikan Tata Niaga (JPTN)*, *8*(3), 904–910.

Manopo, C., Tampi, J. R. E., & Tumbel, T. M. (2021). Pengaruh Kualitas Produk terhadap Keputusan Pembelian Produk Oriflame Kota Manado. *Productivity*, *2*(6), 499–502.

Mari Ci, A. (2021). *Pengaruh Kualitas Produk Dan Promosi Terhadap Keputusan Pembelian Rumah Di Golden City Residence Kota Batam*.

Maulidiyah, D. N., & Arsyianto, M. T. (2020). Analisis Periklanan Pengaruhnya Terhadap Perilaku Konsumen Dan Dampaknya Pada Keputusan Pembelian. *Jurnal Sketsa Bisnis*, *7*(2), 94–105.

Napitupulu, R. B., Sirait, C. B., & Zega, Y. (2022). Pengaruh Iklan Dan Promosi Penjualan Shopee Terhadap Keputusan Pembelian Mahasiswa Fakultas Ekonomi Universitas Darma Agung Medan. *Jurnal Global Manajemen*, *11*(1), 40. https://doi.org/10.46930/global.v11i1.1563

Nurfadillah, N., & Widyasari, T. (2020). Pengaruh Iklan Online "Pixy" Pada Situs Youtube Terhadap Minat Belimahasisw Iikippgri Kaltim Tahun 2019. *Cendekia (Jurnal Pendidikan Dan Pengajaran) Ikip Pgri Kalimantan Timur*, *4*(2), 23–37.

Okhtavia, R., & Setiawan, M. B. (2022). Pengaruh Kualitas Produk, Citra Merek, Dan Inovasi Produk Terhadap Keputusan Pembelian Konsumen Sepatu Olahraga NIKE (Studi Pada Pengguna Sepatu Olahraga NIKE di Kota Kendal). *SEIKO: Journal of Management & Business*, *4*(3), 357– 369. https://doi.org/10.37531/sejaman.vxix.357

Poluan, J., & Karuntu, M. (2022). Pengaruh Harga, Kualitas Produk Dan Layanan Terhadap Minat Beli Sapi Potong Selama Masa Pandemi Covid- 19 Di Pasar Beriman Kota Tomohon Provinsi Sulawesi Utara. *Pengaruh Harga, Kualitas Produk Dan Layanan Terhadap Minat Beli Sapi Potong Selama Masa Pandemi Covid-19 Di Pasar Beriman Kota Tomohon Provinsi Sulawesi Utara*, *10*(1), 1.

Putri, E., Gendalasari, G. G., & Fahsani, D. H. (2023). Pengaruh Persepsi Harga, Kualitas Produk Dan Brand Image Terhadap Keputusan Pembelian Produk Mie Instan Gaga Mie. *JABKES: Jurnal Aplikasi Bisnis Kesatuan*, *3*(3), 201–210. https://doi.org/10.37641/jabkes.v3i2.2361

Sari, A. W., Djan, I., Wartaka, M., & Sumardjono, S. (2023). Analisis Sikap dan Perilaku Konsumen Terhadap Keputusan Pembelian pada Online Marketplace. *Jurnal Ekonomi Efektif*, *5*(3), 481. https://doi.org/10.32493/jee.v5i3.29299

Swesti Mahardini, Ida Mudafia, I., & Apricuansyah, R. (2023). Kualitas Produk, Harga, dan Kualitas Layanan Terhadap Keputusan Pembelian Tokopedia di Wilayah DKI Jakarta. *Jurnal Manajemen Dan Perbankan (JUMPA)*, *10*(2), 1–10. https://doi.org/10.55963/jumpa.v10i2.538

Titing, A. S., Sudarnice, & Sriwahyuni, E. (2022). Pengaruh Harga dan Kualitas Produk Terhadap Keputusan Pembelian Handphone Merek Vivo (Studi Kasus pada Ziola Aneka Jaya Kolaka). *ASSET: Jurnal Manajemen Dan Bisnis*, *5*(1), 21–28. https://doi.org/10.24269/asset.v5i1.4817

Viela Tusanputri, A., & Ekonomi dan Bisnis Universitas Dian Nuswantoro, F. (2021). Pengaruh iklan dan program gratis ongkir terhadap keputusan pembelian pada platform e-commerce tiktok shop. *FORUM EKONOMI*, *23*(4), 632–639. http://journal.feb.unmul.ac.id/index.php/FORUMEKONOMI