# The Influence Of Brand Image, Product Quality And Promotion On Milo Purchase Decisions In Batam City

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## ABSTRACT

Chocolate-flavored milk drinks, including Milo, have become icons in the beverage industry with a long history that continues to grow. In Indonesia, the food and beverage industry, including dairy beverages, is experiencing rapid growth, but faces stiff competition. The purpose of this study is to describe the influence of brand image, product quality and promotion on the purchase decision of Milo products in Batam City. This study uses quantitative and descriptive, the population used is buyers or those who consume Milo products in Batam City, using the slovin formula with the results of the calculation of 100 respondents. In this study, the multiple linear regression analysis method was used with the help of SPSS 27. The results of the study can show that the brand image variable (X1) obtained a t-count value of $4.015 > t$ table of 1.984 and a significance of $0.000 < 0.05$, a product quality variable (X2) obtained a t count of $2.252 > a$ t table of 1.984 and a significant $<$ of 0.05, a promotional variable (X3) obtained a t count of $4.003 > a$ t table of 1.984 and a significance of $0.000 < 0.05$. Brand image, product quality, and promotion have a significant influence Purchase decisions are aimed at the value of f hutung $46.641 > t$ table 2.70 and significant $0.000 < 0.05$. The R2 value of 58.0% and the remaining 42.0% were influenced by other variables that were not mentioned in this study.

Keywords    :  Brand Image, Quality Product, Promotion, Purchasing Decision

## INTRODUCTION

Milo is a beverage brand that presents chocolate and malt flavors. . Milo has various types and sizes of products, one of which is Milo Activ-Go UHT with sizes of 110ml and 108ml. Produced by Nestlé in 1924, this drink originally originated in Australia, but has now spread to various countries, including Indonesia. Milo Activ-Go UHT was imported to Indonesia in 1974 and began production at the waru factory, East Java. PT Yafindo Mitra Permata is a distributor of Milo products in Batam, responsible for the distribution of Nestle products. PT Nestle is known for the consistency of its product quality which makes it able to compete. Despite its popularity, Milo faced marketing problems. PT Yafindo Mitra Permata must focus on improving its brand image, maintaining product quality, optimizing promotions, and continuing to innovate to meet market demands.

According to Lestari & Wahyuati (2020). A person's final purchase decision may be influenced by the brand image of a product. The proliferation of these businesses has resulted in increased competition among companies producing similar products. As a result, these organizations are constantly being driven to devise new strategies to improve their products and strengthen their brands in the eyes of consumers.

The problems faced by Milo Activ-Go UHT have not been able to become the first top brand in the packaged liquid milk category. and is only in 5th place. In addition, Milo also faces brand image problems due to the news of a boycott of Nestlé products in Indonesia. As a result, consumer buying interest in Milo Activ-Go UHT decreased, causing them to switch to similar products that were not subject to the boycott. Therefore, Milo Activ-Go UHT products must be able to implement innovations to improve brand image which ultimately influences purchasing decisions.

According to (Marpaung *et al*., 2021),Product quality is the procurement of products that are consistent with the company's business operations and are of high quality. The stronger the positive quality of the products produced by the company, the greater the impact on the decision of potential consumers to buy from the company or store.

The next problem related to increasing purchasing decisions is product quality. Milo Activ-Go UHT has only one flavor, which is chocolate, while its competitors offer a more varied flavor. The next problem is the many consumer complaints about Milo paper straws that are easily damaged and uncomfortable to use.

According to (Putri & Oktavia, 2024).] Promotion is a way to influence or persuade customers to buy the goods being sold. Of course, entrepreneurs who establish businesses are motivated by the desire to generate income and set a large target market for their products.

The next problem in increasing purchase decisions is promotions that are increasingly rarely carried out by Milo products. One of them is that there is no longer a Milo car that often goes to school after the disappearance of covid, This makes consumers wonder if Milo no longer does promotions.

According to Abi (2020) purchasing decisions are a series of procedures that start with consumers identifying a problem, conducting research on a particular product or brand, and assessing the effectiveness of each alternative in solving the problem. This process then leads to a series of subsequent procedures that culminate in a purchasing decision. The activities of individuals who are directly involved in making decisions to purchase products offered by vendors are called purchasing decisions.

**Framework of Thought**

**The Influence of Brand Image on Purchasing Decisions**

According to the findings, brand image is an image that is able to maintain consumer loyalty, requiring organizations to prioritize this variable. The market position of a brand will be adversely affected if the brand does not have a good brand image. Currently, consumers consistently rely on a brand's image when making purchasing decisions for a particular product. (Febriyanto *et. al* 2021).

**The Influence of Product Quality on Purchasing Decisions**

According to researchers, consumers are more likely to buy goods when they are satisfied with their quality. Where product quality is the desire of prospective buyers to purchase goods and services that are adequate for buying and selling in accordance with their expectations and have superior value. Buyers' assessment of an item should be based on its ability to produce high-quality products in various specifications to attract the interest of potential buyers and encourage them to make a purchase. Additionally, the quality of an item can significantly influence a customer's future purchasing decisions for the advertised item. (Aghitsni& Busyra, 2022)

**The Influence of Promotions on Purchasing Decisions**

Promotion is a marketing activity that aims to disseminate information, influence or persuade the target market about a company or its goods and services in order to encourage them to accept, buy and show loyalty to the company's products. This is a form of marketing communication (Zalukhu & Oktavia, 2023)

According to researchers, promotions have a huge influence on consumer purchasing decisions. This shows the impact of product introduction promotions, which encourage consumers to investigate and purchase the product. Promotion indicators include providing discounts, rebates, gifts, and digital or offline displays in stores (Astuti & Aggresta, 2022).

**The Influence of Brand Image, Product Quality and Promotion on Purchasing Decisions**

Brand image, product quality and promotion have a significant influence on consumer purchasing decisions. states that marketing strategies such as product quality and promotions which are under the control of marketers have an impact on consumer purchasing decisions. Consumers are influenced by their own attitudes when purchasing products, such as their assessment of the product's brand image (Ervina & Meitriana, 2021).

From the definition above, the framework of thinking that has been drawn can be described as follows:

**Hypothesis**
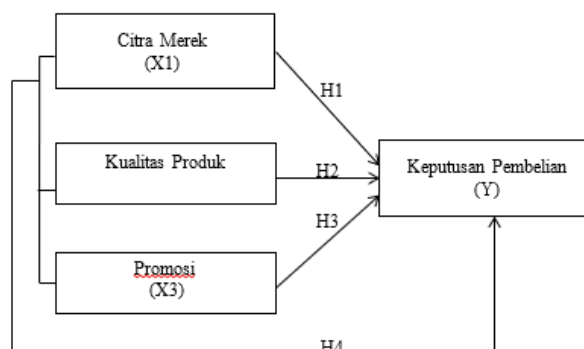
The research hypothesis based on this theoretical study and framework of thinking is as follows:

H1 : The decision to buy Milo in Batam City is partially positively influenced by the brand image.

H2 : The decision to buy Milo in Batam City is partially positively influenced by product quality.

H3 : The decision to buy Milo in Batam City was partially positively influenced by the promotion.

H4 : Milo's purchase decision in Batam City is partially positively influenced by brand image, product quality, and promotion.

**METHOD**

The research methodology used here uses a questionnaire-based data collection approach, by incorporating indicators that are converted into questions and distributed to respondents. . In this research, descriptive research will be carried out in conjunction with quantitative methodology. According to Sugiyono (2019), to ascertain whether there are independent variables, descriptive research is carried out. This is achieved by concentrating on one or more variables without comparing them to other variables or establishing relationships between them. The questionnaire uses the Likert scale to measure the measurement. The research, which focuses on the influence of brand image, product quality, and promotion on Milo purchase decisions in Batam City, involved 100 consumers of Milo Activ Go UHT products. Using the slovin formula is as follows:

**Formula 3.1**

Slovin

$$n = \frac{N}{1+N\,(e^2)}$$

Information:

n = number of samples          P= error rate

n = Population Size

$$n = \frac{1.269.413}{1+1.1269.413(0,1)^2}\ n = \frac{1.269.13}{1+\ 1.1269.413(0,01)} = \frac{1.269.13}{12.694,13}$$

$$n = \frac{1.269.13}{12,695,13}\qquad n=99,99\ \text{samples}$$

The sample size of this study was 99.81 samples which were rounded into 100 respondents determined by the Slovin formula.

Validity test is the stage of assessing the content of the instrument, which is designed to evaluate the correctness of the questionnaire instrument whereas, the Reliability Test is data to evaluate a questionnaire that serves as an indicator of a variable or construct.

Multiple regression analysis as defined by Aurelia *et al.* (2022) is an analytical method used to evaluate the relationship and impact of one dependent variable on two or more independent variables. We attempt to estimate and predict the population mean or value of the dependent variable by utilizing the known values of the independent variable. Multiple regression is carried out because there are two independent variables.

The analysis method chosen is multiple linear regression analysis technique. This method is an analysis used to evaluate the relationship and impact of one bound variable on two or more independent variables. The multiple linear regression equation in this study can be explained as follows:

$$Y = a + b1X1 + b2X2 + b3X3$$

Information:

| | | | |
|---|---|---|---|
| y | = Purchase decision | x3 | = Promotion |
| a | = Constant | b1 b2b | = Regression Coefficient |
| x1 | = Brand Image | e | = Error |
| x2 | = Product quality | | |

**RESULT**
**Validity Test**

To ensure the validity of the study, the researcher used the variables Brand Image (X1), Product Quality (X2), Promotion (X3), and Purchase Decision (Y) in the validity test. The r value is compared with the r table to assess the validity in the context of this study, by using the formula \( n - 2 \) to obtain the corresponding r value from the table. For example, with 100 responses, divided by 2 yields 98. Then, the value of r is taken from the table of r using that value.

**Table 1** Brand Image Validity Test (X1)

| No. | Statement | R Count | R table | Information |
|---|---|---|---|---|
| 1 | X1.1 | 0,895 | | |
| 2 | X1.2 | 0,821 | 0,196 | valid |
| 3 | X1.3 | 0,822 | | |

**Source:** SPSS 27 Results, (2024)

**Table 2** Product Quality Validation Test (X2)

| No. | Statement | R Count | R table | Information |
|---|---|---|---|---|
| 1 | X2.1 | 0,754 | | |
| 2 | X2.2 | 0,716 | 0,196 | valid |
| 3 | X2.3 | 0,582 | | |
| 4 | X2.4 | 0,628 | | |

**Source:** SPSS 27 (2024) Results

**Table 3** Promotion Validity Test (X3)

| No. | Statement | R Count | R table | Information |
|---|---|---|---|---|
| 1 | X3.1 | 0,616 | | |
| 2 | X3.2 | 0,716 | | |
| 3 | X3.3 | 0,765 | 0,196 | valid |
| 4 | X3.4 | 0,610 | | |
| 5 | X3.5 | 0,677 | | |

**Source:** SPSS 27 (2024) Results

**Table 4** Test of Validity of Purchase Decision

| No. | Statement | R Count | R table | Information |
|---|---|---|---|---|
| 1 | Y1 | 0,741 | 0,196 | |
| 2 | Y2 | 0, | 0,196 | Valid |
| 3 | Y3 | 0,747 | 0,196 | |

**Source:** SPSS 27 (2024) Results

**Reliability Test**

Based on the results of the validity test in the table above, namely the variables of brand image, product quality and promotion of decisions on the influence of beauty and product design, it can be stated that the data obtained is valid. It can be said to be valid because r calculates is greater than r table. In this study, a reliability test was used for 100 respondents. The following are the results of the reliability test:

**Table 5** Reliability Test

| Variable | Cronbach Alpha | items | Information |
|---|---|---|---|
| Brand image (X1) | 0,802 | 3 | |
| Product quality (X2) | 0,590 | 4 | Reliable |
| Promotion (x3) | 0,705 | 5 | |
| Purchase decision (Y) | 0,613 | 3 | |

**Source:** SPSS 27 (2024) Results

The table above shows that Cronbach's Alpha for brand image, product quality, promotion, and purchase decision variables exceeds 0.06. It indicates that the instruments for brand image, product quality, promotion, and purchase decisions are considered reliable or meet the necessary criteria.

The following are the results of the multiple linear regression analysis test obtained from the regression coefficient that is calculated in the table below:

**Normality Test**

A normality test was performed in this investigation to ascertain whether the residual or confounding variables showed a normal distribution. The results of the normality test were obtained using a histogram graph as shown in the attached image, based on the results of data processing through SPSS 27.

**Picture 1** Results of the Normality Test (Histogram)
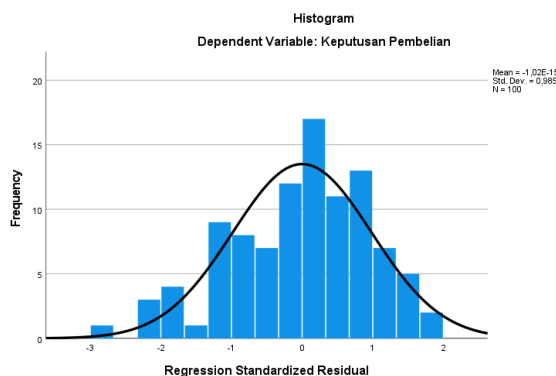


**Source:** SPSS 27 (2024) Results

that the histogram chart above shows the spread pattern diverging to the right and forming a bell. This shows that the data has a normal distribution. Alternatively, it can be said that all instruments in this test have results that meet the regression testing criteria with the multiple linear regression method and are suitable for use in this study.

**Multicollinearity Test**

The Multicoloniality Test is a test that has a function to determine whether or not there is a significant correlation between independent variables. Multicollinearity can be defined to detect it using the *Variance Inflation Factor* (VIF) and *Tolerance* (TOL) methods

**Table 6** Multicollinearity Test

| Coefficients | | | |
|---|---|---|---|
| **Type** | | **Collinearity Statistics** | |
| | | **Tolerance** | **VIF** |
| 1. | (Constant) | | |
| | Brand Image X1 | 0,542 | 1,845 |
| | X2 Product Quality | 0,708 | 1,413 |
| | X3 Promotion | 0,493 | 2,029 |
| a. Variable Dependent | | | |

**Source:** SPSS 27 (2024) Results

Tolerance on Brand *Image* variables of 0.542 > 0.10 with a VIF of 1.845 < 10, Tolerance on the Product Quality variable of 0.708 > 0.10 with a VIF of 1.413 < 10, and Promotion Tolerance of 0.493 > 0.10 with a VIF of 2.029 < 10. These findings are obtained from table 4.15. It can be concluded that multicollinearity does not occur.

**Heteroscedasticity Test**

The Heterokedansticity test is to find out whether there is an imbalance of variance between the rest of one observation and another. What is meant by "heteroscedasticity deviation" is the variance of variables in a non-constant model (Widyananda, n.d.2022).

**Picture 2** Heteroscedasticity Test Results
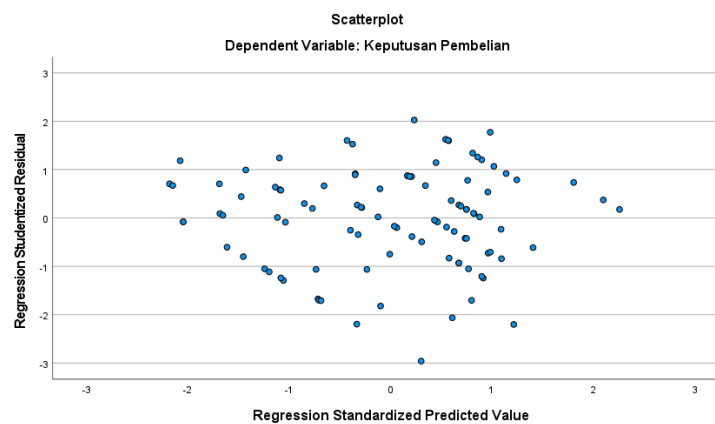


**Source:** SPSS 27 (2024) Results

It can be seen in the image above that the scatterplot chart elements do not show different distribution patterns or specific patterns. Instead, these points are scattered above and below the zero point on the Y-axis. Therefore, it can be concluded that the regression model shows no indication of heteroscedasticity in the heteroscedasticity findings of this study.

**Multiple Linear Regression Test**

**Table 7** Multiple Linear Regression Test

| Coefficientsa | | | | | | |
|---|---|---|---|---|---|---|
| | | Unstandardized Coefficients | | Standardized Coefficients | | |
| Type | | B | Std. Error | Beta | t | Sig. |
| 1 | (Constant) | ,406 | ,915 | | ,443 | ,658 |
| | Brand Image | ,320 | ,080 | ,355 | 4,015 | ,000 |
| | Product Quality | ,151 | ,067 | ,174 | 2,252 | ,027 |
| | Promotion | ,260 | ,065 | ,371 | 4,003 | ,000 |
| a. Dependent Variable: Purchase decision | | | | | | |

**Source:** SPSS 27 (2024) Results

1. The value of the constant obtained is 0.406, indicating the value of the purchase decision when the variables brand image (X1), product quality (X2), and promotion (X3) have a value of zero.
2. The regression coefficient of 0.320 in the brand image variable (X1) shows a positive relationship. This means that an increase of one unit in the brand image variable will increase the purchase decision by 0.320 or 32.0%.
3. The regression coefficient of 0.151 in the product quality variable (X2) shows a positive relationship. This means that an increase of one unit in the product quality variable will increase the purchase decision by 0.151 or 15.1%.
4. The promotion variable (X3) had a regression coefficient of 0.260, indicating a positive relationship. This means that an increase of one unit in the promotion variable will increase the purchase decision by 0.260 or 26.0%.

5. **Determination Coefficient Analysis Test ($R^2$)**

**Table 8** Determination Coefficient Analysis Test ($R^2$)

| Model Summary | | | | |
|---|---|---|---|---|
| Type | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | ,770a | ,593 | ,580 | 1,67838 |
| a. Predictors: (Constant), Brand Image, Product Quality, Promotion | | | | |

**Source:** SPSS 27 (2024) Results

Adjust R square value in table 8 shows a coefficient of determination (R²) of 0.580 or 58.0%, indicating the proportion of purchase decision variables that can be explained by brand image,

product quality, and promotion. The remaining 42.0% was influenced by other factors that were not studied in this study.

**Test T**

**Table 9**  Test T

| Coefficientsa | | | | | |
|---|---|---|---|---|---|
| | | Unstandardized Coefficients | | Standardized Coefficients | | |
| Type | | B | Std. Error | Beta | t | Sig. |
| 1 | (Constant) | ,406 | ,915 | | ,443 | ,658 |
| | Brand Image | ,320 | ,080 | ,355 | 4,015 | ,000 |
| | Product Quality | ,151 | ,067 | ,174 | 2,252 | ,027 |
| | Promotion | ,260 | ,065 | ,371 | 4,003 | ,000 |
| a. Dependent Variable: Purchase decision | | | | | | |

**Source:** SPSS 27 (2024) Results

Based on the information in table 7, the t-test in this study can be interpreted as follows:

1. The brand image representation variable (X1) has a calculated t-value of 4.015 greater than the table t-value of 1.984. In addition, the significance value (Sig value) of 0.000 is lower than the provision of 0.05. Therefore, it can be concluded that H1 is supported, which shows that the brand image has a fairly good and great influence on the choice of purchasing Milo goods in Batam City.

2. The product quality variable (X2) has a calculated t value of 2.252 which exceeds the critical t value of the t table (1.984). In addition, the significance value (Sig value) of 0.027 was lower than the significance level of 0.05. Therefore, it can be concluded that H2 is supported which shows that product quality has a partial, positive, and large effect on the choice of purchasing Milo goods in Batam City.

3. The brand image variable (X3) has a calculated t value of 4.003 above the critical t value of the t table (1.984), and the significance value (Sig value) of 0.000 is smaller than the significance level of 0.05. Therefore, it can be concluded that H3 is supported, which shows that the brand image has a fairly good and large influence on the choice of purchasing Milo Batam goods.

**Discussion**

1. **The influence of Brand Image on Purchase decisions**

    Based on the t-test, the brand image (X1) has a calculated t of 4.015 greater than the table t-value of 1.984 (with degrees of freedom df=n-k=100-4=96), and a significance level of 0.000 < 0.05. Therefore, we can conclude that the brand image indicator (X1) has a rather positive and significant influence on the purchase choice (Y). Brand image has a positive and significant effect on purchase decisions which concludes that brand image has a positive and significant effect on purchase decisions.

2. **The Influence of Product Quality on Purchase Decisions**

    Based on the analysis of the t-test, product quality (X2) has a considerable positive influence on purchasing choices (Y). The calculated t-value of 2.252 exceeded the table's t-value of

1.984 (with degrees of freedom df=n-k=100-4=96), and the significance level was 0.027 < 0.05. Therefore, we can conclude that the product quality indicator (X2) has a rather positive and significant influence on purchasing choices (Y).

3. **The Influence of Promotions on Purchase Decisions**

   Based on the promotion (X3) with a calculated t of 4.003, the t-value of the table is 1.984 (with degrees of freedom = n - k = 100 - 4 = 96), and the significance level of 0.000 < 0.05, it can be concluded that the promotion (X3) has a positive and significant effect on the purchase choice (Y).

4. **The Influence of Brand Image, Product Quality, and Promotion on Milo Purchase Decisions in Batam City**

   Using the calculated f-value, it was determined that 46.641 was more than the t-value of table 2.70, and the significance level of 0.000 was less than 0.05. The findings of this study show that brand image, product quality, and promotion are influential elements in shaping consumer purchase choices. If the implementation of Milo products can improve brand image, product quality, and promotion, then this choice will also contribute to further improvement. This will have a significant impact on Milo's goods. Higher sales will result in increased revenue for companies that manufacture or sell Milo products.

## CONCLUSION

Milo is a brand of chocolate and malt drinks produced by Nestlé since 1924 and is now available in various countries, including Indonesia. Milo Activ-Go UHT, in sizes of 110ml and 180ml, has been imported to Indonesia since 1974 and produced at the Waru factory, East Java. PT Yafindo Mitra Permata is a distributor of Milo products in Batam. This research is important to understand the influence of brand image, product quality, and promotion on Milo purchase decisions in Batam City. This research aims to design new strategies that can improve brand image, product quality, and promotional effectiveness to strengthen Milo's position in the market.

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