

The Influence of Price and Product Quality on Consumer Purchase Decisions of Es Teler Nara

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ABSTRACT

The food and beverage industry in Indonesia, particularly within the Micro, Small, and Medium Enterprises (MSMEs) sector, has experienced rapid growth alongside increasingly intense market competition. This condition encourages business actors to continuously improve their competitiveness through appropriate pricing strategies and superior product quality. This study aims to analyze the influence of price and product quality on consumer purchase decisions at Es Teler Nara, a modern culinary MSME operating four branches in Kediri and Nganjuk Regencies. The research employed a quantitative approach with an explanatory research design. Data were collected from 80 respondents selected through accidental and purposive sampling techniques based on the Slovin formula. Respondents consisted of consumers who had purchased Es Teler Nara products and were at least 15 years old. Data collection was conducted using structured questionnaires measured through a five-point Likert scale. The data were analyzed using Multiple Linear Regression with the assistance of SPSS software. The results indicate that price has a positive and significant partial effect on purchase decisions, evidenced by a t-value of 6.381, which exceeds the critical value of 1.991, with a significance level of 0.000. Product quality also demonstrates a positive and significant effect on purchase decisions, as indicated by a t-value of 2.075 and a significance level of 0.041. Simultaneously, price and product quality significantly influence consumer purchase decisions, reflected by an F-value of 22.738 and a significance level of 0.000. The coefficient of determination (R^2) of 0.371 indicates that 37.1% of the variation in purchase decisions can be explained by price and product quality, while the remaining 62.9% is influenced by other variables outside the research model. These findings emphasize the importance of maintaining competitive prices and consistent product quality to enhance consumer satisfaction and encourage repeat purchases in the modern beverage industry.

Keywords: Price, Product Quality, Purchase Decision, Modern Es Teler, MSMEs.

1. INTRODUCTION

The food and beverage industry has become one of the most dynamic and rapidly growing sectors of the Indonesian economy. As a developing country with a large population and increasing urbanization, Indonesia has experienced significant shifts in consumer lifestyles, consumption patterns, and purchasing preferences. These transformations have stimulated demand for convenient, ready-to-consume food products and beverages, thereby creating substantial opportunities for entrepreneurs and MSMEs to expand their business activities. The increasing participation of consumers in modern culinary trends has also encouraged the emergence of innovative products designed to satisfy evolving market needs (Statistics, 2024).

According to data published by the Indonesian Central Bureau of Statistics (BPS), the number of food and beverage enterprises has continued to increase over recent years (BPS, 2024). The sector contributes significantly to national economic growth through employment creation, income generation, and local economic development. The expansion of urban populations, rising disposable incomes, and changing social habits have encouraged consumers to spend a larger proportion of their income on prepared food and beverages (Kamil et al., 2025). This phenomenon is particularly evident among younger consumers who prioritize convenience, practicality, and unique culinary experiences.

The growing popularity of modern beverages and desserts reflects broader changes in consumer behavior. Contemporary consumers no longer evaluate products solely based on their functional benefits; they also consider

emotional satisfaction, product presentation, social value, and overall consumption experiences. Consequently, food and beverage businesses are required to develop products that not only satisfy basic nutritional needs but also provide attractive sensory and experiential value (Kotler et al., 2024).

One product category that has gained significant popularity in recent years is modern *es teler*. Traditionally, *es teler* is an Indonesian dessert beverage consisting of shaved ice, coconut milk, avocado, jackfruit, coconut flesh, and sweetened syrup (Kediri, 2025). However, modern culinary innovation has transformed this traditional product into a more contemporary dessert by incorporating thick creamy bases, various toppings, colorful presentations, and customizable flavor combinations. These modifications have increased consumer interest and repositioned *es teler* as a modern dessert product capable of competing with other contemporary beverages such as bubble tea, smoothies, and flavored ice drinks.

The increasing number of businesses offering similar products has intensified market competition. Under these circumstances, understanding the factors influencing consumer purchase decisions becomes essential for business sustainability (Angga et al., 2023). Purchase decisions represent the culmination of a consumer's evaluation process, during which alternative products are assessed before a final selection is made. Various internal and external factors contribute to this process, including personal preferences, social influences, promotional activities, brand image, product quality, and price considerations.

Among these determinants, price is frequently regarded as one of the most influential variables affecting consumer behavior. Price serves not only as a monetary sacrifice required to obtain a product but also as an indicator of value and quality (Fiman & Taufiqurahman, 2024). Consumers often compare prices among competing products before making purchase decisions. Affordable and competitive pricing strategies can attract consumers, increase sales volume, and strengthen customer loyalty. Conversely, pricing policies perceived as unreasonable may discourage purchases and negatively affect customer satisfaction.

Product quality is another critical factor influencing consumer decisions. Product quality refers to a product's ability to fulfill consumer expectations and deliver desired benefits. In the food and beverage industry, product quality encompasses various dimensions, including taste, freshness, appearance, hygiene, consistency, packaging, and overall customer experience. Consumers who perceive a product as high quality are more likely to develop positive attitudes toward the brand and engage in repeat purchases (Pradana et al., 2025).

Es Teler Nara is a growing MSME operating in Kediri and Nganjuk Regencies, East Java. The business has established four branches located in Tamanan, Bandar, Gringging, and Prambon. Despite operating within a highly competitive market environment, *Es Teler Nara* has managed to attract a stable customer base and generate substantial daily revenue. Nevertheless, maintaining long-term growth requires a comprehensive understanding of consumer preferences and purchasing behavior (Liwandy et al., 2025).

Previous studies have consistently demonstrated the importance of price and product quality in shaping consumer decisions. However, empirical research specifically focusing on modern dessert products within secondary urban markets remains limited. Most existing studies concentrate on large metropolitan areas or broader food and beverage sectors, leaving a gap in understanding the purchasing behavior of consumers in smaller regional markets. Therefore, this study seeks to examine the influence of price and product quality on purchase decisions among consumers of *Es Teler Nara* (Fiman & Taufiqurahman, 2024).

The findings are expected to contribute both theoretically and practically. From a theoretical perspective, the study enriches the literature on consumer behavior and marketing management within the MSME context. From a practical perspective, the results provide valuable insights for entrepreneurs seeking to formulate effective pricing strategies and maintain product quality standards in increasingly competitive markets.

2. RESEARCH METHODS

This study employs a quantitative research approach with an explanatory design. Quantitative research is appropriate because it enables the measurement of relationships among variables using statistical procedures. The explanatory design aims to investigate causal relationships between independent variables and the dependent variable. The study was conducted at four *Es Teler Nara* branches located in Tamanan, Bandar, Gringging, and Prambon. These locations were selected because they represent the primary operational centers of the business and serve diverse customer segments.

The target population consisted of approximately 320 daily consumers across all branches. To determine an appropriate sample size, the Slovin formula was applied using a 10 percent margin of error. Based on the calculation, a minimum sample size of 76 respondents was obtained. To improve statistical reliability and account for potential data

inconsistencies, the sample size was increased to 80 respondents. The sampling process utilized non-probability sampling techniques, specifically purposive and accidental sampling. Respondents were selected based on two criteria: (1) they had purchased products from Es Teler Nara, and (2) they were at least 15 years old.

Data collection was conducted through structured questionnaires using a five-point Likert scale ranging from strongly disagree to strongly agree. The questionnaire consisted of indicators measuring price, product quality, and purchase decisions. The collected data were analyzed using SPSS software through several stages, including validity testing, reliability testing, classical assumption testing, multiple linear regression analysis, t-tests, F-tests, and coefficient of determination analysis.

3. RESULTS

Respondent Characteristics. This study involved 80 respondents whose characteristics were examined based on three demographic variables: gender, age, and branch outlet. The majority of respondents were female, comprising 55 participants (68.8%), while male respondents accounted for 25 participants (31.3%). This distribution suggests that modern dessert products tend to attract a larger female consumer segment. The largest group of respondents fell within the 17–25 years age range, representing 45 participants (56.3%). This was followed by respondents aged 26–36 years, who numbered 18 (22.5%), and those over 36 years old, who accounted for 13 participants (16.3%). The smallest age group consisted of respondents under 16 years old, with only 4 participants (5.0%). These findings indicate that younger consumers, particularly those in their late teens to mid-twenties, are the primary market segment for modern dessert products. The distribution of respondents across branch outlets revealed relatively balanced participation. The Bandar branch contributed the highest number of respondents with 26 participants (32.5%), followed by the Prambon branch with 20 participants (25.0%), the Tamanan branch with 19 participants (23.8%), and the Gringging branch with 15 participants (18.8%).

Validity and Reliability Testing. The validity test demonstrated that all questionnaire items possessed correlation coefficients exceeding the critical value of 0.220. Specifically, the calculated correlation coefficients for the Price variable (X1) items ranged from 0.579 (X1.4) to 0.731 (X1.3). For the Product Quality variable (X2), the coefficients ranged from 0.565 (X2.2) to 0.734 (X2.5). For the Purchase Decision variable (Y), the coefficients ranged from 0.534 (Y5) to 0.722 (Y6). Since all calculated r-values exceeded the critical r-value of 0.220, all items were declared valid and suitable for further analysis. Reliability testing produced the following Cronbach's Alpha values: Price (5 items) yielded 0.658, Product Quality (6 items) yielded 0.740, and Purchase Decision (8 items) yielded 0.752. All three values exceed the minimum threshold of 0.60, confirming that each variable demonstrated satisfactory internal consistency and is suitable for further analysis.

Classical Assumption Testing. The Kolmogorov-Smirnov test was conducted to assess the normality of the data distribution. The test produced a significance value (Asymp. Sig. two-tailed) of 0.200, which exceeds the 0.05 threshold. This indicates that the residuals are normally distributed, satisfying the normality assumption for regression analysis. The mean of the unstandardized residuals was 0.000 with a standard deviation of 3.030. The most extreme absolute difference was 0.074 (positive: 0.074; negative: −0.058), further confirming the adequacy the normal distribution fit. Multicollinearity testing revealed tolerance values above 0.10 and Variance Inflation Factor (VIF) values below 10 for all independent variables, indicating the absence of multicollinearity and confirming that each variable contributes unique information to the regression model. Heteroscedasticity testing further confirmed the presence of homoscedasticity, as no systematic pattern was observed in the scatterplot of residuals and all significance values for the independent variables exceeded 0.05.

Multiple Linear Regression Analysis. The multiple linear regression analysis was performed to examine the simultaneous and partial effects of Price (X1) and Product Quality (X2) on Purchase Decision (Y). The results are presented in the table below.

Table 1. Multiple Linear Regression Results

Predictor	B	Std. Error	Beta	t	p	Tolerance	VIF
Constant	8.459	3.788	—	2.233	0.028	—	—
Price (X1)	0.922	0.144	0.577	6.381	0.000	1.000	1.000
Product Quality (X2)	0.217	0.105	0.188	2.075	0.041	1.000	1.000

Source: Primary data processed by the researcher (2026)

The results indicate that both Price (X1) and Product Quality (X2) have a statistically significant positive effect on Purchase Decision (Y). Price produced a beta coefficient of 0.577 with a significance value of 0.000, while Product Quality produced a beta coefficient of 0.188 with a significance value of 0.041. The larger coefficient for Price suggests that it exerts a stronger influence on consumer purchasing behavior than Product Quality in this context. The constant value of 8.459 represents the baseline purchase decision score when both independent variables are held at zero.

4. DISCUSSION

The findings indicate that price is the most influential determinant of purchase decisions among Es Teler Nara consumers. This outcome reflects the characteristics of the target market, which consists predominantly of students and young adults with relatively limited purchasing power. Affordable pricing allows consumers to perceive greater value and reduces financial barriers to purchase. Product quality also plays a significant role in influencing purchase decisions. Consumers evaluate quality based on taste consistency, freshness of ingredients, variety of toppings, cleanliness, and visual presentation. The positive relationship between product quality and purchase decisions demonstrates that consumers appreciate products capable of delivering satisfactory experiences.

The simultaneous influence of price and product quality supports the value-for-money concept in consumer behavior theory. Consumers do not assess these factors independently; rather, they evaluate whether the quality received justifies the price paid. Businesses that successfully balance affordability and quality are more likely to attract and retain customers. Although the model explains 37.1% of purchase decision variance, a substantial proportion remains unexplained. This finding suggests the presence of additional influential variables such as brand image, promotional activities, social media marketing, service quality, customer experience, accessibility, and word-of-mouth communication. Future research should incorporate these variables to obtain a more comprehensive understanding of consumer behavior. From a managerial perspective, the results highlight the importance of maintaining consistent product standards across all branches. Variations in taste or presentation could negatively affect customer satisfaction and weaken brand reputation. Likewise, pricing policies should remain competitive while ensuring business profitability.

5. CONCLUSION

This study investigated the influence of price and product quality on consumer purchase decisions at Es Teler Nara, a modern dessert MSME operating in Kediri and Nganjuk Regencies, East Java. The findings demonstrate that price has a positive and statistically significant effect on purchase decisions. Consumers are more likely to purchase Es Teler Nara products when prices are perceived as affordable, fair, and competitive. Product quality also exerts a positive and significant influence on purchase decisions. Consistent taste, attractive presentation, cleanliness, and topping variety contribute to favorable consumer evaluations and encourage purchases. Furthermore, price and product quality simultaneously influence consumer purchase decisions. Together, these variables explain 37.1% of the variation in consumer purchasing behavior, while the remaining 62.9% is influenced by factors not examined in this study.

The study concludes that successful MSMEs in the food and beverage industry must achieve an appropriate balance between competitive pricing and superior product quality. Maintaining this balance can strengthen customer satisfaction, increase repeat purchases, and support long-term business sustainability. Future studies are encouraged to investigate additional determinants such as brand image, promotional effectiveness, service quality, customer satisfaction, and digital marketing activities to provide a broader understanding of consumer purchase behavior in the modern culinary sector.

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