

THE EFFECT OF PRODUCT QUALITY, BRAND IMAGE AND PRICE ON CUSTOMER LOYALTY OF MINERAL WATER IN AQUA BRAND PACKAGING

Primaraga Sumantri Indra Wicaksana¹, Ergo Nurpatria Kurniawan², Surya Bintarti³, Iis Indarti⁴

^{1,3,4}Program Manajemen FEB Universitas Pelita Bangsa, ²STIE IPWI Jakarta

ARTICLEINFO	ABSTRACT
<i>Keywords:</i> Product quality Brand image Price Customer loyalty	This study aims to determine the effect of product quality, brand image and price on customer loyalty of mineral water in Aqua brand packaging. This research was conducted using a quantitative descriptive method, the variables in this study were 3 free variables (X) namely the influence of product quality, brand image and price and bound variables (Y) namely customer loyalty measured using primary data from questionnaires. The population in this study were consumers who would buy and consuming Aqua brand bottled water by calculating samples using a nonpropablity sampling method with an accidental sampling technique consisting of 100 respondents. The data analysis techniques used are validity test, reliability test, multiple linear analysis and t test using the SmartPLS3.3.3 program. The results showed that the quality of AQUA brand mineral water products has a weak positive effect (42%) on customer loyalty, the brand image on AQUA brand mineral water products also has a weak positive effect (48%) on customer loyalty and the price of AQUA brand mineral water products has a negative effect (-3%) on customer loyalty.
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1. INTRODUCTION

Water as one of the important sources of life for living things, is a very tempting business opportunity because it can be marketed anywhere in all countries in the world (Deni Riaddy, 2020). One of the most important is to keep the body from being exposed to dehydration which can certainly interfere with our health. Drinking as much as 8 glasses of water a day can also protect the health of organs in the body, regulate body temperature, and distribute nutrients to various parts of the body. Although it looks the same, but not all white water is the same. AQUA mineral water comes from volcanic mountain water sources so that the water content is indeed rich in minerals needed by the body. Layers of volcanic mountain rocks will filter water naturally and provide natural minerals.

AQUA springs come from 17 selected mountain water sources in Indonesia. Mineral water in Aqua packaging when consumed will also provide good for the body because it undergoes filtration and mineralization naturally. Aqua has been attached to a good image or image in the eyes of consumers because it has been clinically tested good for health, so it is not surprising that Aqua always maintains market share and makes consumers loyal which has an impact on repurchasing mineral water in Aqua brand packaging.

Table 1. Bottled Mineral Water Manufacturers in Indonesia, 2020

No.	Company	Brand	Price	Percentage



1	PT. Tirta Investama	Aqua	Rp.4.500	61.5 %
2	PT. Coca Cola Bottling Indonesia	Ades	Rp. 2.500	7.8 %
3	PT. Tirta Sukses Perkasa	Club	Rp. 3.000	6.6 %
4	PT. Tirta Fresindo Jaya	Le Minerale	Rp. 1.850	6.1 %
5	PT. Sariguna Primatirta Tbk	Cleo	Rp. 1.500	3.7 %

Source: Top Brand Index, 2020

Based on the table above, it shows that mineral water in AQUA, brand packaging in 2020 is ranked first by obtaining 61.5%, the percentage value is far above other competitors with the lowest percentage of 3.7%. The data above shows that the price of AQUA is much more expensive, namely Rp. 4,500 while other brands are below the price of AQUA, but this is not an obstacle to staying in the first rank, because the quality of AQUA is undoubtedly in the eyes of the public. On the other hand, Aqua's brand image already has a name among the public.

The quality of AQUA brand mineral water can be guaranteed because the water source is protected, only AQUA brand mineral water protects springs and the environment in order to maintain the water source. Consumers will feel satisfied if the results of their evaluation show that the products they use are of high quality (Lupioadi, 2001: 158). Product quality can also be interpreted as a characteristic of the product in the ability to meet predetermined and latent needs (Kotler and Amstrong, 2001).

Aqua brand mineral water is present in the market since 1973 so that it is very well known to the wider community and already has a good brand image even until now there are many mineral water competitors but the public knows the good brand image that has been firmly attached to AQUA mineral water products. Brand image is a description of consumers' associations and beliefs towards a particular brand (Tjiptono, 2008). Brand image is the process by which a person selects, organizes, and interprets information input to create a meaningful picture (Kotler and Keller, 2009). Brand image is a buzz from all associations related to a brand that is already in the minds of consumers (Kertajaya, 2007). The brand image of the association of all available information regarding the products, services and companies of the brand in question (Ratri, 2007).

Pricing affects customer loyalty because consumers consider prices. AQUA mineral water products at a fairly high price but dare to guarantee quality so that consumers do not mind high prices and good quality. Price can be referred to as the monetary amount charged by a business unit to the buyer for the goods or services sold or handed over (Saladin, 2007). Price is a certain amount of money and services or goods that are available to be exchanged by buyers to get a wide selection of products and services provided by sellers (Tjiptono, 2008). Price is an amount of money exchanged for a product or service. Furthermore, price is the amount of value that consumers exchange for the amount of benefit by owning or using a good or service (Kotler and Amstrong, 2007:344). The price paid and the ways or conditions associated with its sale (Payne, 2007:28). Pricing on one product by one company is one of the company's strategies to attract consumers to buy its products and make consumers loyal to one product. But in the results of the study (Melysa Elisabeth Pongoh, 2013) denied that the price affected customer loyalty.

2. METHOD

The research method used is quantitative which is associative. The research instrument was conducted using observation, interviews, and documentation. The repondent is determined based on the amount required according to the focus of the research problem. So that the respondents in this study



were 100 people who would buy and consuming Aqua brand bottled water. While the data analysis technique used is PLS-SEM analysis usually consists of two sub-models, namely the measurement model (measurement model) or often called the outer model and structural model or often called inner model. The measurement model shows how manifest variables or observed variables represent latent variables to be measured. While structural models show the strength of estimation between latent or construct variables. The primary data in this research were obtained from a questionnaire that was distributed containing statements regarding product quality, brand image and price on the level of customer loyalty given to 100 respondents AQUA consumers using a respondent rating scale of 1 - 5, where the scale of 1 (strongly disagree) to the scale of 5 (strongly agree). Meanwhile, data collection techniques secondary in this study was carried out by means of a literature study.

3. **RESULT AND DISCUSSION**

This study used a strutural equation modeling (SEM) model, and the software used by SmartPLS 3,3,3. The results of the analysis of the study are as follows:

3.1 Evaluate the Measurement Model (Outer Model)



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Figure 1. Diagram Path

Product quality variables:

- a. The product quality variable (X₁) measured through consumer instruments believes aqua brand mineral water products are water with quality number 1 (KP2) occupying the highest role in influencing the Customer Loyalty (Y) variable of 0.856
- b. The product quality variable (X₁) measured through the AQUA brand mineral water product instrument is produced by the company which guarantees product quality in terms of cleanliness and purity (KP6) affects the Customer Loyalty (Y) variable of 0.853
- c. Product quality variable (X_1) measured through aqua mineral water product instrument has a unique and attractive product design (KP3) affecting the Customer Loyalty variable (Y) of 0.849
- d. Product quality variables (X₁) measured through aqua brand mineral water instruments are consumers' choice because water quality is always maintained (KP10) affects the Customer Loyalty variable (Y) of 0.846
- e. The product quality variable (X₁) measured through aqua brand mineral water instruments has excellent product quality for consumers (KP1) affecting the Customer Loyalty variable (Y) of 0.843
- f. The product quality variable (X₁) measured through aqua brand mineral water product instruments has many variants in packaged form (KP4) affecting the Customer Loyalty variable (Y) of 0.839
- g. The product quality variable (X₁) measured through aqua brand mineral water product instruments has been certified to be marketed and consumed daily (KP8) affects the Customer Loyalty variable (Y) of 0.833
- h. The product quality variable (X_1) measured through the AQUA brand mineral water product packaging instrument which is aesthetic and colorful, especially in the Aqua kids (KP11) product variation affects the Customer Loyalty variable (Y) of 0.812
- i. The product quality variable (X₁) measured through the aqua brand mineral water product safety standard instrument has been met through BPOM national laboratory tests and has met health standards (KP7) and the AQUA brand mineral water instrument has an excellent packaging to maintain its quality (KP9) affecting the Customer Loyalty (Y) variable of 0.811
- j. The product quality variable (X_1) measured through the instrument The composition contained in aqua brand mineral water products makes consumers confident to consume it (KP14) affects the Customer Loyalty variable (Y) of 0.799
- k. The product quality variable (X₁) measured through the AQUA brand mineral water instrument is of high quality for consumption (KP5) affecting the Customer Loyalty (Y) variable of 0.796
- Product quality variables (X₁) measured through aqua brand mineral water product instruments always launch attractive designs kosnumen (KP12) affecting the Customer Loyalty (Y) variable of 0.770
- m. Product quality variables (X_1) measured through aqua brand mineral water product instruments provide a positive value for the company that produces them (KP13) occupying the lowest role in influencing the Customer Loyalty (Y) variable of 0.684

Brand image variables:

a. The brand image variable (X_2) measured through the aqua brand mineral water instrument gives me the assurance that the product is of highest quality (CM3) occupying the highest role in influencing the Customer Loyalty variable (Y) of 0.944



- b. The brand image variable (X₂) measured through the instrument I have known for a long time about aqua brand mineral water and it is believed by many people (CM5) affects the Customer Loyalty variable (Y) of 0.852
- c. Brand image variable (X_2) measured through the instrument Mineral water in aqua brand packaging makes me more confident to consume it (CM1) affecting the Customer Loyalty variable (Y) of 0.842
- d. Brand image variable (X₂) measured through the instrument I got a lot of benefits when consuming aqua brand mineral water because the product is guaranteed to be very hygienic (CM4) affecting the Customer Loyalty variable (Y) of 0.816
- e. The brand image variable (X₂) measured through the instrument Consumers are very aware of aqua brand mineral water products that have many benefits (CM2) affecting the Customer Loyalty variable (Y) of 0.811
- f. The brand image variable (X₂) as measured through the instrument Aqua brand mineral water products have excellent personal branding among the public / consumers (CM6) occupying the lowest role in influencing the Customer Loyalty (Y) variable of 0.794

Price variables:

- a. The price variable (X_3) measured through the instrument Consumers will not hesitate to buy aqua brand mineral water products at a high price as long as the quality is guaranteed (H_3) occupies the highest role in influencing the Customer Loyalty (Y) variable of 0.836
- b. The price variable (X_3) measured through the instrument Aqua brand mineral water products can still survive in higher price competitiveness than other mineral water competitors (H5) affecting the customer loyalty variable (Y) of 0.805
- c. Price variable (X_3) measured through the instrument Consumers choose aqua brand mineral water products because the quality of the product is very guaranteed at an affordable price (H_1) affecting the Customer Loyalty variable (Y) of 0.793
- d. The price variable (X_3) measured through the instrument Consumers have benefited from the clarity and purity of aqua brand mineral water so that consumers no longer mind the price (H7) and the instrument The benefits of aqua brand mineral water which makes consumers no longer hesitate to choose and buy aqua products at an expensive price (H8) affects the Customer Loyalty variable (Y) of 0.789
- e. The price variable (X_3) measured through the instrument Affordability of prices in aqua brand mineral water products is the expectation of consumers (H_2) affecting the Customer Loyalty variable (Y) of 0.737
- f. The price variable (X_3) measured through the instrument The selling price offered by aqua brand mineral water products is a consumer consideration in consumer diversity (H6) affecting the Customer Loyalty variable (Y) of 0.705
- g. The price variable (X₃) measured through the instrument Consumers still hope that the price of aqua brand mineral water products remains affordable by not reducing the quality of their products (H4) keeping the lowest role in influencing the Customer Loyalty (Y) variable of 0.568

3.2 Structural Model Testing (Inner Model

The product quality model (X_1) , brand image (X_2) and price (X_3) to customer loyalty (Y) gives an R-square value of 0.727 in the structural model indicating that the model is "good" which can be interpreted that the variation of the Customer Loyalty (Y) construct which can be explained by the variability of Product Quality (X_1) Brand Image (X_2) and Price (X_3) of 72.7%.

	R-Square
Customer loyalty (Y)	0.727
Product quality $(X_1) \rightarrow$ Customer loyalty (Y)	0.421





Brand image $(X_2) \rightarrow$ Customer loyalty (Y)	0.484
Price $(X_3) \rightarrow$ Customer loyalty (Y)	-0.032

- a. The influence of product quality (X₁), brand image (X₂) and price (X₃) on customer loyalty (Y) gives an r square value of 0.727, where it can be interpreted that the variability of customer loyalty constructs (Y) can be explained by the variability of product quality (X₁), brand image (X₂) and price (X₃) of 73% which means that there is a strong positive influence of product quality (Y), brand image (X2) and price (X3) on Customer loyalty (Y).
- b. Product Quality (X₁) has a weak positive effect on Customer Loyalty (Y) of 0.421, which can be interpreted as a Product Quality (X₁) construct of 42% (Weak).
- c. Brand Image (X_2) has a weak positive effect on Customer Loyalty (Y) of 0.484, where it can be interpreted that the Brand Image (X_2) construct is 49% (Weak).
- d. Price (X₃) negatively affects Customer Loyalty (Y) of -0.032, which can be interpreted as the Price construct (X₃) which is -3.2% (No effect).

3.3 Hypothesis test

Hypothesis test in this research, it was carried out by looking at the T-Statistics value and the P-Values value. The research hypothesis can be declared acceptable if the P Values value < 0.05.

	Original Sample (O)	Sample Mean (M)	Standart Deviation (STDEV)	T Statistics	P Values
Product quality (X1)→Customer loyalty (Y)	0,421	0,393	0,196	2,151	0,032
Brand image (X2) → Customer loyalty (Y)	0,484	0,517	0,166	2,910	0,004
Price (X3) \rightarrow Customer loyalty (Y)	-0,032	-0,032	0,132	0,240	0,810

Table 3. Mean, STDEV, T-Values, P-Values

a. First Hypothesis (H₁), which states that Product Quality (X₁) has a positive effect on Customer Loyalty (Y) is acceptable based on the result of a statistical t value of 2.151 greater than t table 1.96 with an error rate below 0.05

b. Second Hypothesis (H_2), which states that Brand Image (X_2) has a positive effect on Customer Loyalty (Y) is acceptable based on the result of a statistical t value of 2,910 greater than the solid table of 1.96 with an error rate below 0.05





c. Third Hypothesis (H_3), which states that Price (X_3) negatively affects Customer Loyalty (Y) rejected based on the result of a statistical t value of 0.240 less than t table 1.96 with an error rate above 0.05

Discussion

Aqua Mineral Water Product Quality Towards Customer Loyalty

- a. The parameter coefficient (original sample) shows that the Product Quality construct (X₁) has a weak positive effect on the Customer Loyalty (Y) construct by (0.421) 42.1%. The weak effect of Product Quality (X₁) on Customer Loyalty (Y) is due to consumer confidence in aqua products.
- b. The measuring instrument of the Product Quality (X₁) that plays the most role in affecting Customer Loyalty (Y) is the consumer instrument that believes the aqua brand mineral water product is water with quality number 1 (KP2) of 0.856.
- c. A statistical t value (2,151) greater than a table t value (1.96) means that the first hypothesis stating Product Quality (X_1) against Customer Loyalty (Y) is acceptable.
- d. The results of this study are in line with research conducted by Carmina Fandos, Carlos Flavián in 2018. Researching on "Intrinsic and extrinsic quality attributes, loyalty and buying intention: an analysis for a PDO product". The results showed that product quality has a significant positive effect on customer loyalty. In another study conducted by Kukuh Familiar, Ida Maftukhah in 2015. Researching about "The Effect of Product Quality and Service Quality on Customer Loyalty Through Customer Satisfaction" With the conclusion results it is proven that product quality directly affects customer loyalty. This means that the higher the quality of the product in the result, the higher the customer loyalty.

Aqua Mineral Water Brand Image Towards Customer Loyalty

- a. The parameter coefficient (original sample) shows that the Brand Image (X2) construct has a weak positive effect on the Customer Loyalty (Y) construct by (0.484) 48.4%. Weak Brand Image (X₂) to Customer Loyalty (Y) is because consumers already believe in the quality provided by aqua brand mineral water products.
- b. The measuring instrument from the Brand Image (X₂) that plays the most role in affecting Customer Loyalty (Y), namely the aqua brand mineral water instrument, gives me a guarantee that the product is of quality (CM3) of 0.944.
- c. The statistical t value (2,910) is greater than the table t value (1.96) which means the second hypothesis stating the Brand Image (X2) against Customer Loyalty (Y) is acceptable.
- d. The results of this study are in line with research conducted by Ike-Elechi Ogba and Zhenzhen Tan in 2009, Researching on "Exploring the impact of brand image on customer loyalty and commitment in China". The results showed that brand image has a significant positive effect in influencing customer loyalty. In another study conducted by R. Aj. EP. Apriliani, Year 2019. Researching on "The Influence Of Brand Trust, Brand Equity And Brand Image On Customer Loyalty (Study On Customers Of Teh Botol Sosro Di Wonosobo). With the conclusion, it is stated that the individual brand image variable has a significant influence on the customer loyalty variable.

Aqua Mineral Water Price Against Customer Loyalty

- a. The parameter coefficient (original sample) shows that the Price construct (X_3) negatively affects the Customer Loyalty (Y) construct by (-0.032) -3.2%. There is no effect of Price (X_3) on Customer Loyalty (Y) because consumers are confident and trust in the quality of aqua brand mineral water so that consumers ignore the price set for the mineral water product.
- b. The measuring instrument rather than the Price (X_3) that plays the most role in affecting Customer Loyalty (Y) is that consumer instruments will not hesitate to buy aqua brand mineral water products at high prices as long as the quality is guaranteed (H₃) of 0.836.





- c. The statistical t value (0.240) is smaller than the table t value (1.96) which means that the third hypothesis stating Price (X3) against Customer Loyalty (Y) is rejected.
- d. The results of this study are not in line with the research conducted by Celil Cakici, Yilmaz Akgunduz, Oya Yildirim. The year is 2019. Researching on "The impact of perceived price justice and satisfaction on loyalty: the mediating effect of revisit intention". The results showed that price has a positive effect on customer loyalty. In other studies it is also not in line with those conducted by Daniel I Nyoman Renatha Cardia, I Wayan Santika, Ni Nyoman Rsi Respati. The year is 2019. Researching about "The Effect of Product Quality, Price, And Promotion on Customer Loyalty". The results of the study stated that the price had a positive and significant effect on the loyalty of Smartfren prepaid card customers in Denpasar City.

4. **CONLUSION**

Based on the results of the research and discussion that have been described previously, the quality of Aqua brand mineral water products has a weak positive effect on customer loyalty, the brand image on Aqua brand mineral water products has a weak positive effect on customer loyalty and the price of Aqua brand mineral water products negatively affects customer loyalty.

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