

# THE INFLUENCE OF PRICE AND PRODUCT VARIETY ON PURCHASING DECISIONS FOR MOUNTEA

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# ABSTRACT

The aim of this study was to examine how Mountea's purchase decisions were affected by product prices and product variants. Quantitative primary data were employed in the analysis in this study, and the following tests were run: validity test, reliability test, normality test, multicollinearity test, heteroscedasticity test, multiple linear regression test, T test, F test, and coefficient of determination. The study's valid data were gathered by 100 participants in the form of a Google Form, which was utilized to administer the questionnaire. Non-probability sampling using the purposive sample technique was the sampling strategy used in this investigation. SPSS version 26 was used as the testing software. The findings indicated that Mountea's purchase decisions were partially influenced by the results of the variable pricing and product variety. Purchase decisions on Mountea are influenced simultaneously by product variety and price changes.

Keywords: Price, Product Variety, Purchasing Decisions

#### 1. INTRODUCTION

As a result of Indonesia's rapidly expanding ready-to-drink tea market, manufacturers now face more intense competition. To pique consumers' attention in a world that is characterized by rapid change and technological advancement, businesses must concentrate on establishing uniqueness through price and product variety. Consumers in a globalized society need useful and distinctive goods that satisfy their demands. Therefore, in order to stay ahead of the competition, manufacturers must constantly innovate and adapt. This necessitates a thorough comprehension of consumer trends, behavior, and preferences. By considering these elements, businesses can develop a successful product that appeals to customers and captures a portion of Indonesia's expanding ready-to-drink tea market.

| Table 1                           |   |       |             |  |  |  |
|-----------------------------------|---|-------|-------------|--|--|--|
| Market Share of Ready             | Market Share of Ready-to-Drink Tea in Indonesia |       |             |  |  |  |
| Brand Name                        | 2021  | 2022  | <u>2023</u> |  |  |  |
| Teh Pucuk Harum                   | 36,80   | 32,60 | 30,60       |  |  |  |
| Teh Botol Sosro                   | 18,60   | 20,10 | 18,80       |  |  |  |
| Frestea                           | 11,80   | 10,40 | 11,00       |  |  |  |
| Teh Gelas                         | 12,50   | 10,50 | 9,30        |  |  |  |
| Mountea                           | 0   | 3,60  | 4,10        |  |  |  |
| Source: Top Brand Award (2023)[3] |   |       |             |  |  |  |

Source: Top Brand Award (2023)[3]

The table displays the market share, in percentage, of five different tea brands in Indonesia over the course of three years. Teh Pucuk Harum is the leading brand with a market share of 36.80% in 2021, which decreased to 32.60% in 2022 and is projected to decrease further to 30.60% in 2023. Teh Botol Sosro is in second place, with a market share of 18.60% in 2021, which increased to 20.10% in 2022 but is expected to decrease to 18.80% in 2023. Frestea, on the other hand, has experienced a decline in market share, from 11.80% in 2021 to 10.40% in 2022, before showing a slight increase to 11.00% in 2023. Teh Gelas also experienced a decline in market share from 12.50% in 2021 to 10.50% in 2022 and is projected to further decrease to 9.30% in 2023. Finally, Mountea had no market share in 2021 but had an impressive market share of 3.60% in 2022, which is projected to further increase to 4.10% in 2023. These market share figures suggest that Teh Pucuk Harum and Teh Botol Sosro continue to dominate the market, while Frestea and Teh Gelas are struggling to maintain their market share. The rise of Mountea also indicates the potential for new brands to enter the market and disrupt the current hierarchy of the tea industry in Indonesia.

Mountea is a ready-to-drink tea product that was launched in Indonesia in 2005 [1]. It is a pioneer of readyto-drink tea in cups and is made from a blend of special natural tea and refreshing fruit flavor [1]. The product has undergone several changes since its launch, including the introduction of new variants such as Mountea



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Big Teh Manis in 2017. The history of Mountea is a testament to the growing popularity of ready-to-drink (RTD) products in the food and beverage industry.

Consumer behavior is a crucial aspect of marketing and can greatly impact a business's success in the readyto-drink tea industry in Indonesia. Consumer purchasing behavior refers to the ways in which individual customers, groups, or organizations select and buy goods and services to satisfy their wants and needs [2]. It helps marketers create a marketing strategy that resonates with their target audience, builds trust, and leads to long-term success. By understanding consumer behavior, businesses can differentiate among their individual customers, predict marketing trends, and identify room for new products or services.

The importance of price and product variation in the bottled tea market cannot be overstated. Companies should consider setting competitive prices for their products while balancing affordability and profitability. Offering a variety of products can attract different customer segments, but companies should also be careful not to dilute their brand.

Consumer attitudes toward prices and product variations introduced by the company can influence consumers' intentions to make purchases. In line with it, consumer choices about the purchase of tea products that are ready to drink

# 2. LITERATURE REVIEW

## 2.1 Marketing

Marketing is the practice of promoting a product, whether goods or services, through specific strategies and techniques to increase sales volume [7]. Marketing is a crucial aspect of any business. A marketing plan is an operational document that outlines an advertising strategy that an organization will implement to generate leads and reach its target market. An executive summary of a marketing plan provides a brief overview of the entire marketing plan.

## 2.2 Price

Price is a monetary value assigned to a product or anything that can be evaluated using money, through a valuation process based on certain standards [8]. Price is a critical element of the marketing mix and is determined by a range of factors, including production costs, competition, demand, and perceived value. Effective pricing strategies can help businesses to maximize profits, increase sales, and build customer loyalty. This study's variables for price include four indicators [4]:

- 1. Affordability of prices
- 2. Price compatibility with product quality
- 3. Price level reference
- 4. Fairness of prices

## 2.3 Product Variety

Product variety is the development of a product to produce various options [9]. The degree of product variety is determined by the number of firms that offer products that are perceived to be different. Offering more options is better in most cases, assuming costs and shelf space are equal. In this study, there are four indicators that make up the product variety variables:

- 1. Number of products in a category
- 2. Level of product feature diversity
- 3. Availability of newly adopted products
- 4. Size of product variation in the company portfolio

## 2.4 Purchase Decision

Purchase decision is an individual activity that involves direct involvement in making decisions to purchase a product offered by a seller [5]. The satisfaction level of the consumer after the purchase can be influenced by the closeness between the buyer's expectations and the product's perceived performance. As business owners and marketers, it is important to assess how the consumer behaves after making the purchase. The purchase decision variables in this study consists of four indicators [6]:

- 1. Identification of needs
- 2. Search for information
- 3. Evaluation of alternatives
- 4. Decision to purchase



# 2.5 Research Framework

In order to identify the problem that needs to be addressed, it is important to establish a conceptual framework that serves as the foundation for investigating the issue with the goal of discovering, expanding, and verifying the truth through research. A framework of thought with a scheme of variable relationships can be illustrated in the figure below:

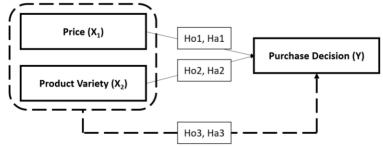


Figure 1. Research Framework

Description:

: Partial influence

: Simultaneously influence

Looking at the research framework, the following research hypotheses are proposed:

Ho1 : Price has no influence on the purchasing decision of Mountea.

Ha1 : Price has influence on the purchasing decision of Mountea.

Ho2 : Product variety has no influence on the purchasing decision of Mountea.

 ${\rm Ha2}\,$  : Product variety has influence on the purchasing decision of Mountea.

Ho3 : Price and product variety has no influence on the purchasing decision of Mountea.

Ha3 : Price and product variety has influence on the purchasing decision of Mountea.

# 3. METHODOLOGY

This study uses the research framework depicted in Figure 1. This figure illustrates that the research aims to evaluate the influence of price and product variety on consumer purchase decisions. The idea and procedures outlined in the aforementioned literature served as the foundation for the questionnaire items used in this study. The questionnaires were distributed to 100 consumers of ready-to-drink tea. The questionnaire was designed using a Likert five-point scale, where a score of 5 indicates the highest score and 1 indicates the lowest score.

| Table 2<br>Likert Scale |       |
|-------------------------|-------|
| Answer Clasification    | Score |
| Strongly Agree (SS)     | 5     |
| Agree (S)               | 4     |
| Neutral (N)             | 3     |
| Disagree (TS)           | 2     |
| Strongly Disagree (STS) | 1     |

## 4. RESULTS AND DISCUSSION

Age will affect a person's ability to make decisions. Likewise, age has an influence on choices. Because age will affect the maturity of one's mind, the decisions taken will get better with age. Table 3 below shows the age of the research respondents:

| Table 3                         |                       |                |  |  |
|---------------------------------|-----------------------|----------------|--|--|
| <b>Respondents by Age Level</b> |                       |                |  |  |
| Age Level                       | Number of Respondents | Percentage (%) |  |  |
| < 17 years                      | 2                     | 2%             |  |  |
| 17 – 23 years                   | 98                    | 98%            |  |  |
| Total                           | 100                   | 100%           |  |  |

Source: Questionnaire Data Results, 2023



A person's gender will also affect their ability to make decisions. Often, men and women have different interests and needs in different types of goods and services. Table 4 shows the level of gender in this study:

| Table 4                            |                       |                |  |  |
|------------------------------------|-----------------------|----------------|--|--|
| <b>Respondents by Gender Level</b> |                       |                |  |  |
| Gender Level                       | Number of Respondents | Percentage (%) |  |  |
| Male                               | 49                    | 49%            |  |  |
| Female                             | 51                    | 51%            |  |  |
| Total                              | 100                   | 100%           |  |  |

Source: Questionnaire Data Results, 2023

One's choice may also be influenced by their monthly income or pocket money. The range of alternatives available to them for purchases depends on their degree of income and monthly allowance. Higher earners typically have more access to more expensive goods and services. On the other hand, people with lower incomes or smaller budgets might pay greater attention to items with lower costs or look for sales and discounts. Table 5 below shows the amount of monthly income or pocket money in this study:

| Table 5           Respondents by Monthly Income or Pocket Money |                       |                |  |  |  |
|---|-----------------------|----------------|--|--|--|
| Gender Level  | Number of Respondents | Percentage (%) |  |  |  |
| < Rp. 1.000.000   | 29                    | 29%            |  |  |  |
| Rp. 1.000.000 – Rp. 2.000.000                                   | 61                    | 61%            |  |  |  |
| > Rp. 2.000.000   | 10                    | 10%            |  |  |  |
| Total   | 100                   | 100%           |  |  |  |

Source: Questionnaire Data Results, 2023

# 4.1 Price Variable Analysis

The price variable in this study consists of four indicators: affordability of prices, price compatibility with product quality, price level reference, and fairness of prices. The questionnaire for the price variable consists of 4 statements, where each indicator consists of 1 statement. The following is a recapitulation of respondents' responses to the terminal regarding the price variable. Table 6 below shows what can be inferred:

|  |                  |                | Tal | ole |       | 6      |     |       |
|--|------------------|----------------|-----|-----|-------|--------|-----|-------|
| <b>Recapitulation of Price Variables</b> |                  |                |     |     |       |        |     |       |
| Variable Score                           |                  |                |     |     |       |        |     |       |
| No.                                      | v                | X <sub>1</sub> | STS | TS  | Ν     | S      | SS  | Total |
|  |                  | <b>A</b> 1     | (1) | (2) | (3)   | (4)    | (5) |       |
| 1  | v                | Frequency      | 1   | 3   | 10    | 65     | 21  | 402   |
| 1  | $X_{1.1}$        | Score          | 1   | 6   | 30    | 260    | 105 | 402   |
| 2  | v                | Frequency      | 3   | 2   | 6     | 48     | 41  | 422   |
| 2  | X <sub>1.2</sub> | Score          | 3   | 4   | 18    | 192    | 205 | 422   |
| 3 X                                      | v                | Frequency      | 3   | 2   | 9     | 50     | 36  | 414   |
| 3  | X <sub>1.3</sub> | Score          | 3   | 4   | 27    | 200    | 180 | 414   |
| 4  | v                | Frequency      | 1   | 5   | 7     | 46     | 41  | 421   |
| 4 $X_{1.4}$                              | Score            | 1              | 10  | 21  | 184   | 205    | 421 |       |
| Sum of Total                             |                  |                |     |     | 1.659 |        |     |       |
| Average                                  |                  |                |     |     |       | 414.75 |     |       |

Source: SPSS 26 Output Results, 2023

Based on Table 6, it can be seen that the respondents agreed with the price variable. This is evident from the average value of 414.75; hence, the average statement falls within the range of 341-420 and is classified as agree.

#### 4.2 Product Variety Analysis

The product variety variable in this study consists of four indicators: number of products in a category, level of product feature diveristy, availability of newly adopted products, and size of product variation in the company portofolio. The questionnaire for the price variable consists of 4 statements, where each indicator consists of 1 statement. The following is a recapitulation of respondents' responses to the terminal regarding the product variety variable. Table 7 below shows what can be inferred:



|                | Table 7            |                 |         |        |       |        |       |       |     |
|----------------|--------------------|-----------------|---------|--------|-------|--------|-------|-------|-----|
|                | Re                 | capitulation    | of Proc | luct V | ariet | y Vari | ables |       |     |
| Variable Score |                    |                 |         |        |       |        |       |       |     |
| No.            | ``                 | X <sub>1</sub>  | STS     | TS     | Ν     | S      | SS    | Total |     |
|                |                    | Δ1              | (1)     | (2)    | (3)   | (4)    | (5)   |       |     |
| 1              | X <sub>2.1</sub>   | Frequency       | 1       | 4      | 11    | 49     | 35    | 413   |     |
| -              | 1 A <sub>2.1</sub> | $\Lambda_{2.1}$ | Score   | 1      | 8     | 33     | 196   | 175   | 415 |
| 2              | 2 X <sub>2.2</sub> | Frequency       | 3       | 2      | 15    | 48     | 32    | 404   |     |
|                | $\Lambda_{2,2}$    | Score           | 3       | 4      | 45    | 192    | 160   |       |     |
| 3              | X <sub>2.3</sub>   | Frequency       | 2       | 3      | 11    | 41     | 43    | 420   |     |
|                | A2.3               | Score           | 2       | 6      | 33    | 164    | 215   | 420   |     |
| 4              | X <sub>2.4</sub>   | Frequency       | 2       | 4      | 10    | 49     | 35    | 411   |     |
| 4              | $\Lambda_{2.4}$    | Score           | 2       | 8      | 30    | 196    | 175   | 411   |     |
| Sum of Total   |                    |                 |         |        |       | 1.648  |       |       |     |
|                |                    | А               | verage  |        |       |        |       | 412   |     |
|                |                    |                 |         |        |       |        |       |       |     |

. . . . ....

Source: SPSS 26 Output Results, 2023

Based on Table 7, it can be seen that the respondents agreed with the product variety variable. This is evident from the average value of 412; hence, the average statement falls within the range of 341-420 and is classified as agree.

## 4.3 Purchase Decision Analysis

The purchase decision variable in this study consists of four indicators: identification of meeds, search for information, evaluation of alternatives, and decision to purchase. The questionnaire for the price variable consists of 4 statements, where each indicator consists of 1 statement. The following is a recapitulation of respondents' responses to the terminal regarding the purchase decision variable. Table 8 below shows what can be inferred:

|                |             |                 | 1a      | ble 8 |       |        |        |       |     |
|----------------|-------------|-----------------|---------|-------|-------|--------|--------|-------|-----|
|                | Rec         | capitulation of | of Purc | hase  | Decis | ion Va | riable | S     |     |
| Variable Score |             |                 |         |       |       |        |        |       |     |
| No.            |             | X <sub>1</sub>  | STS     | TS    | Ν     | S      | SS     | Total |     |
|                |             | <b>A</b> 1      | (1)     | (2)   | (3)   | (4)    | (5)    |       |     |
| 1              | Y.1         | Frequency       | 2       | 4     | 14    | 49     | 31     | 403   |     |
| 1              | <b>1</b> _1 | <b>1</b> .1     | Score   | 2     | 8     | 42     | 196    | 155   | 403 |
| 2              | Y.2         | Frequency       | 1       | 6     | 9     | 48     | 36     | 412   |     |
| 2              | 2 I.2       | Score           | 1       | 12    | 27    | 192    | 180    | 412   |     |
| 3              | Y.3         | Frequency       | 2       | 3     | 10    | 46     | 39     | 417   |     |
| 5              | 1.3         | Score           | 2       | 6     | 30    | 184    | 195    |       |     |
| 4              | Y.4         | Frequency       | 0       | 5     | 3     | 56     | 36     | 423   |     |
| 4 I.4          | <b>1</b> .4 | Score           | 0       | 10    | 9     | 224    | 180    | 423   |     |
| Sum of Total   |             |                 |         |       |       |        | 1.655  |       |     |
| Average        |             |                 |         |       |       | 413.75 |        |       |     |

Tabla 8

Source: SPSS 26 Output Results, 2023

Based on Table 8, it can be seen that the respondents agreed with the purchase decision variable. This is evident from the average value of 413.75; hence, the average statement falls within the range of 341-420 and is classified as agree.

## 4.4 Validity Test

A validity test is used to determine whether a questionnaire is valid or not. To test the significance, the values of r count and r table are compared. All question indicators are valid if the calculated r value is greater than the r table. By knowing that the degree of freedom (df) = n-2, where n is the number of samples, the value of the r table can be calculated. In this study, 100 samples were used, so the df was 98, which was obtained from the calculation of 100-2 = 98 with a probability or alpha of 0.05, which resulted in a value of r table (twotailed test) of 0.195. Table 9 below shows the processed questionnaire data:



| Table9   |           |        |        |            |  |  |  |
|--|-----------|--------|--------|------------|--|--|--|
| Validity Test  |           |        |        |            |  |  |  |
| Variable   | Statement | Rcount | Rtable | Annotation |  |  |  |
|  | $X_{1.1}$ | 0.851  |        | Valid      |  |  |  |
| $\mathbf{D}_{\mathbf{r}}$ $\mathbf{v}$ $(\mathbf{V}_{\mathbf{r}})$ | $X_{1.2}$ | 0.843  | 0 105  | Valid      |  |  |  |
| Price $(X_1)$  | $X_{1.3}$ | 0.795  | 0.195  | Valid      |  |  |  |
|  | $X_{1.4}$ | 0.741  |        | Valid      |  |  |  |
|  | $X_{2.1}$ | 0.797  |        | Valid      |  |  |  |
| $\mathbf{D} = 1 + \mathbf{V} = 1 + (\mathbf{V})$                   | $X_{2.2}$ | 0.842  | 0.195  | Valid      |  |  |  |
| Product Variety (X <sub>2</sub> )                                  | $X_{2.3}$ | 0.866  |        | Valid      |  |  |  |
|  | $X_{2.4}$ | 0.837  |        | Valid      |  |  |  |
|  | Y.1       | 0.866  |        | Valid      |  |  |  |
| Durchase Desision (V)  | Y.2       | 0.830  | 0 105  | Valid      |  |  |  |
| Purchase Decision (Y)  | Y.3       | 0.821  | 0.195  | Valid      |  |  |  |
|  | Y.4       | 0.785  |        | Valid      |  |  |  |

Source: SPSS 26 Output Results, 2023

Table 9 above shows that the calculation results for the price variable (X1), product variation variable (X2), and purchase decision (Y) each have an item-total correlation value that is greater than the r-table value, namely 0.195, with a significance level of 0.05. So, all variables in this research are valid.

#### 4.5 Reliability Test

A questionnaire that functions as a measure of constructs or variables is tested for reliability. A questionnaire is considered reliable if the respondents consistently answer each question from time to time. In this study, the Cronbach's alpha method was used to measure the reliability of the questionnaire; a Cronbach's alpha value above 0.60 is considered reliable. The SPSS 26 program was used to perform this measurement.

|                                   | Table 10                             |            |  |  |  |  |
|-----------------------------------|--------------------------------------|------------|--|--|--|--|
| Reliability Test                  |                                      |            |  |  |  |  |
| Variable                          | Cronbach's Alpha                     | Annotation |  |  |  |  |
| Price $(X_1)$                     | 0.817                                | Reliable   |  |  |  |  |
| Product Variety (X <sub>2</sub> ) | 0.856                                | Reliable   |  |  |  |  |
| Purchase Decision (Y)             | 0.844                                | Reliable   |  |  |  |  |
| Source: SPSS 26 Output            | Source: SPSS 26 Output Results, 2023 |            |  |  |  |  |

Table 10 above shows the calculation results for the price variable (X1), product variety (X2), and purchase decision (Y). The coefficient of reliability, or reliability of Cronbach's alpha, is greater than 0.60. Therefore, it can be said that this research instrument is reliable for all indicators.

#### 4.6 Normality Test

The purpose of the normality test is to find out whether the dependent variable, independent variable, or both have a normal distribution in the regression model. A normal data distribution, or spread of statistical data, on the diagonal axis of a normal distribution graph is a sign of a good regression model. In this study, the normality test was carried out with a normal probability plot that compared the cumulative distribution of the actual data with the normal cumulative distribution of data. The basis for decision-making for the data normality test and normality testing is carried out using Kolmogorov-Smirnov with the following criteria:

a. The data distribution has a sig, significance, or probability value below 0.05.

b. Sig, significance, or probability values for data distribution greater than 0.05 are considered normal.

| Table 11                    |              |
|-----------------------------|--------------|
| One-Sample Kolmogorov-Smiri | nov Test     |
|                             | Unstandardiz |

|                                  |                | Unstandardized<br>Residual |
|----------------------------------|----------------|----------------------------|
| N                                |                | 100                        |
| Normal Parameters <sup>a,b</sup> | Mean           | .0000000                   |
|                                  | Std. Deviation | 1.25003360                 |
| Most Extreme Differences         | Absolute       | .080                       |

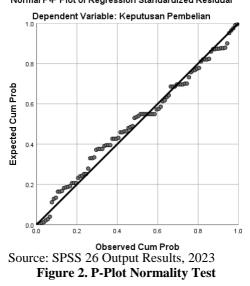


|                             | Positive                           | .059 |  |  |  |
|-----------------------------|------------------------------------|------|--|--|--|
|                             | Negative                           | 080  |  |  |  |
| Test Statistic              | .080                               |      |  |  |  |
| Asymp. Sig. (2-tailed)      | .112 <sup>c</sup>                  |      |  |  |  |
| a. Test distribution is Nor | rmal                               |      |  |  |  |
| b. Calculated from data     |                                    |      |  |  |  |
| c. Lilliefors Significance  | Lilliefors Significance Correction |      |  |  |  |

c.

Source: SPSS 26 Output Results, 2023

The results of the non-parametric Kolmogorov-Smirnov (K-S) statistical test, shown in Figure 2, show that the significance value (Asymp. Sig) of 0.112 is greater than 0.05. To test the normality of the data, the Kolmogorov-Smirnov single sample test is used, with the assumption that the significance value is greater than 5% or 0.05. The results show that the residual data has a normal distribution. Normal P-P Plot of Regression Standardized Residual



To understand the P-P plot graph, look at the distribution of items on the diagonal line in Figure 2. The graph shows that the data is spread around the diagonal line and follows the direction of the diagonal line or its histogram; the normal distribution pattern is shown here, so it can be concluded that the regression model satisfies the assumption of normality.

#### **Multicollinearity Test** 4.7

The multicollinearity test is used to determine whether there is a correlation between the independent variables in the regression model. The Variance Inflation Factor (VIF) test can be used to determine the presence of multicollinearity. If the test is carried out with SPSS, if the VIF value is less than 10 and the tolerance value is more than 0.1, then there is no multicollinearity. The tolerability value calculates the variability of certain independent variables that cannot be explained by other independent variables. This multicollinearity results in a sample with many variables. Because it shows a large standard error, the Tcount will be smaller than the T-table when the coefficients are tested. This shows that there is no linear relationship between the independent variables and the dependent variable. The following table shows the results of the multicollinearity test:

| Table 12         Multicollinearity Test |        |  |                                      |            |      |                       |                        |
|---|--------|--|--------------------------------------|------------|------|-----------------------|------------------------|
| Model                                   |        | Unstandardized<br>Coefficients<br>Std. Error | Standardized<br>Coefficients<br>Beta | t          | Sig. | Collinea<br>Tolerance | rity Statistics<br>VIF |
| 1 (Constant)                            | -6.364 | 1.861  |                                      | -<br>3.420 | .001 |                       |                        |



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| Price           | 5.308 | .946 | .419 | 5.613 | .000 | .368 | 2.719 |
|-----------------|-------|------|------|-------|------|------|-------|
| Product Variety | .493  | .070 | .525 | 7.021 | .000 | .368 | 2.719 |

Dependent Variable: Purchase Decision

Source: SPSS 26 Output Results, 2023

According to table 12, the VIF value of the price variable (X1) is 2,719 and the product variable (X2) is 2,719, indicating that the VIF value is less than 10. The tolerability value of the price variable (X1) is 0.368, with the product variation variable (X2) being 0.368, indicating a tolerability value that is greater than 0.10. There is no multicollinearity or perfect correlation between the independent variables—price and product variety—in the regression model, according to the VIF values and tolerances found.

#### 4.8 Heteroscedasticity Test

The purpose of the heteroscedasticity test is to find out whether there are dissimilarities or differences between the residuals from one observation to another in the regression model. Homoscedasticity occurs when the variance remains between the residues and the observations. Hetorexdesity also occurs when the variants are different. One method for identifying heteroscedasticity is to plot a graph between the predicted value of the dependent variable, namely ZPRED, and its residual value, SRESID.To determine heteroscedasticity, graphic media are used. Basic analysis:

- a. If certain patterns, such as waves, widen and narrow, forming certain regular patterns, then there has been heteroscedasticity.
- b. Heteroscedasticity does not occur in cases where the pattern is not clear and the points are scattered above and below the number 0 on the Y axis. Scatterplot

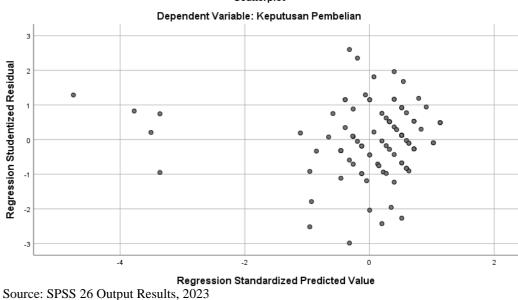


Figure 3. Scatterplot Heterocscedacticity Test

There is no heteroscedasticity because the pattern is not clear and the points spread above and below the number 0 on the Y axis, as shown in Figure 3 above.

#### 4.9 Multiple Linear Regression Test

Multiple linear regression analysis describes the relationship between the dependent variable and factors factors that affect more than one independent variable—along with other factors. The purpose of this technique is to find out whether there is more than one independent variable with respect to the dependent variable. In this case, the two independent variables are product price and product variety, while the dependent variable is the purchase decision.



#### Table 13 **Multiple Linear Regression Test** Standardized Unstandardized Coefficients **Collinearity Statistics** Coefficients Sig. t Model В Std. Beta Tolerance VIF Error -6.364 1.861 .001 1 (Constant) 3.420 Price 5.308 .946 .419 5.613 .000 .368 2.719 Product Variety .493 .070 .525 7.021 .000 .368 2.719

Dependent Variable: Purchase Decision

Source: SPSS 26 Output Results, 2023

From Table 13, the multiple linear regression equation is as follows:

$$Y = -6.364 + 5.308X1 + 0.493X2 + e$$

Description:

- Y : Purchasing Decision
- a : Constant
- X1 : Price
- X2 : Product Variation
- e : Error

The results of the previous multiple linear regression equation show that:

- 1. A constant value (a) of -6.364 indicates that the purchase decision (Y) remains at -6.364 if the variable product quality (X1) and product variety (X2) are considered constant.
- 2. The value of the product price regression coefficient (X1) of 5.308 indicates that each product quality (X1) increases by one unit, so that the purchase decision (Y) increases by 5.308, assuming other variables have a fixed value.
- 3. The regression coefficient of product variation (X2) is 0.493, indicating that each product variation (X2) has increased by one unit, so that the purchase decision (Y) increases by 0.493, assuming that other variables do not change.

# 4.10 Partial Test (T Test)

To prove the hypothesis, the T test is used. This shows how far the influence of one independent variable extends to each dependent variable. This decision is made with a significance level of (a) = 0.05.

a. H0 is accepted if the significance level of T count is > 0.05 or T count T table.

b. H0 is rejected if the significance level of T count is 0.05 or T count is greater than T table.

The results of the research he conducted are shown in Table 14 below:

|       |                 |                      | Test (T Test) |                              |        |      |
|-------|-----------------|----------------------|---------------|------------------------------|--------|------|
|       |                 | Unstanda<br>Coeffici |               | Standardized<br>Coefficients | t      | Sig. |
| Model |                 | В                    | Std. Error    | Beta                         |        |      |
| 1     | (Constant)      | -6.364               | 1.861         |                              | -3.420 | .001 |
|       | Price           | 5.308                | .946          | .419                         | 5.613  | .000 |
|       | Product Variety | .493                 | .070          | .525                         | 7.021  | .000 |

Dependent Variable: Purchase Decision Source: SPSS 26 Output Results, 2023



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It is known that the T table is:

T table = a/2; n-k-1 = (0.05/2; 100-3-1) = 0.025; 96 = 1,9841

- 1. Based on the calculation of the significant number of product price effects, the t-count is 5.613, with 0.000 < 0.05. With t-table 1984, H0 is rejected and Ha is accepted, which indicates that there is an influence between purchasing decisions and prices.
- 2. The results of calculating the significant figures for the effect of product variations show that 0.000 < 0.05 and t-count 7.021 are greater than t-table 1.984, so H0 is rejected and Ha is accepted. This shows that there is a relationship between purchasing decisions and product variations.

# 4.11 Simultaneous Test (F Test)

By using the model feasibility test at the level of 5%, the F test is used to determine whether there is a significant effect between the independent variables together and the dependent variable. The probability value can be used to determine the significant level, which is 5%.

- 1. If the probability value is greater than 0.05, then the independent variable does not significantly affect the dependent variable.
- 2. The independent variable affects the dependent variable simultaneously if the probability value is less than 0.05.

|       |            | Simulta        | ineous Test (F | Test)       |         |                   |
|-------|------------|----------------|----------------|-------------|---------|-------------------|
| Model |            | Sum of Squares | df             | Mean Square | F       | Sig.              |
| 1     | Regression | 622.054        | 2              | 311.027     | 195.025 | .000 <sup>b</sup> |
|       | Residual   | 154.696        | 97             | 1.595       |         |                   |
|       | Total      | 776.750        | 99             |             |         |                   |

#### Table 15 Simultaneous Test (F Test

a. Dependent Variable: Purchase Decision

b. Predictors: (Constant), Product Variety, Price

Source: SPSS 26 Output Results, 2023

Table 15 shows the F-count value of 195,025 and the F-table value of 3.09. The significant probability value of 0.05 is greater than the significant value of 0.000. If the F-count value is greater than the F-table (195.025 greater than 3.09) and the significant value is less than the significant probability value (0.000 less than 0.05), then it can be concluded that product price and product variation have a mutual effect on purchasing decisions.

# 4.12 Coefficient of Determination (R<sup>2</sup>)

To find out how far the model's ability to explain the dependent variables goes, the coefficient of determination test ( $R^2$ ) is used. Because the adjusted R value is more reliable in evaluating the regression model, the coefficient of determination used is the adjusted R value. If the value of one independent variable is added to the model, the value of the adjusted R square can increase or decrease. The smaller the standard error of estimation (SEE) for this test, the more precise the regression equation is in predicting the dependent variable. The value of  $R^2$ , which is getting closer to 1, indicates that the independent variable provides almost all the data needed to predict the independent variation.

# Table 16 Coefficient of Determination (R<sup>2</sup>) Model Summary<sup>b</sup>

|       | 1.10401 8 4111141 9 |      |          |            |               |  |
|-------|---------------------|------|----------|------------|---------------|--|
| Model |                     | R    | R Square | Adjusted R | Std. Error of |  |
|       | Widde               | R    | K Square | Square     | the Estimate  |  |
|       | 1                   | .895 | .801     | .797       | 1.26285       |  |

a. Predictors: (Constant), Product Variety, Price

b. Dependent Variable: Purchase Decision

Source: SPSS 26 Output Results, 2023



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Table 16 shows that the adjusted R coefficient of determination is 0.797, or 79.7%, indicating that product price is the independent variable that influences the dependent variable, namely the purchase decision. While the last 20.3% is influenced by variables that are not included in this regression model.

# 4.13 Summary of Research Results

Based on the results of research that has been done by testing and analyzing the effect of price and product variation on purchasing decisions at Mountea, From the analysis that has been described, the following is the discussion in this writing:

| Table 17                        |   |   |  |  |  |
|---------------------------------|---|---|--|--|--|
|                                 | Summary of Research Results                               |   |  |  |  |
| Tool Analysis                   | Analysis Result   | Description   |  |  |  |
| Validity Test                   | Every statement's results have a                          | The information obtained from                                   |  |  |  |
|                                 | significant value higher than the                         | the survey's findings has been                                  |  |  |  |
|                                 | value in the r table.                                     | deemed valid.   |  |  |  |
| Reliability Test                | According to the findings, every                          | The information obtained from                                   |  |  |  |
|                                 | variable has a Cronbach's Alpha                           | the survey's findings has been                                  |  |  |  |
|                                 | value more than 0.60.                                     | deemed credible.  |  |  |  |
| Normality Test                  | - The significance value                                  | Kolmogorov-Smirnov test and                                     |  |  |  |
|                                 | (Asymp. Sig) for the                                      | the P-Plot graph findings support                               |  |  |  |
|                                 | Kolmogorov-Smirnov test is                                | the assertion that the regression                               |  |  |  |
|                                 | 0.112 > 0.05.   | model adheres to the standard                                   |  |  |  |
|                                 | - It is determined that the                               | assumption of normality.  |  |  |  |
|                                 | regression model satisfies the                            |   |  |  |  |
|                                 | assumption of normality since<br>the data on the P-P plot |   |  |  |  |
|                                 | spreads out around the                                    |   |  |  |  |
|                                 | diagonal line.  |   |  |  |  |
| Multicollinearity Test          | Given that both the pricing                               | The research findings   |  |  |  |
| White officiality Test          | variable (X1) and the product                             | demonstrate that the regression                                 |  |  |  |
|                                 | variable (X2) have VIF values of                          | model does not exhibit  |  |  |  |
|                                 | 2,719, the VIF value is less than                         | multicollinearity.  |  |  |  |
|                                 | 10. The product variation                                 |   |  |  |  |
|                                 | variable (X2) has a tolerability                          |   |  |  |  |
|                                 | value of 0.368, which is greater                          |   |  |  |  |
|                                 | than 0.10, while the tolerability                         |   |  |  |  |
|                                 | value of the pricing variable (X1)                        |   |  |  |  |
|                                 | is 0.368.   |   |  |  |  |
| Heteroscedastivity Test         | The data points in the scatterplot                        | It can be inferred that there was                               |  |  |  |
|                                 | test can be observed to be                                | no heteroscedasticity in this study                             |  |  |  |
|                                 | dispersed above, below, or all                            | based on the points that spread                                 |  |  |  |
|                                 | around the number 0.                                      | freely above and below the Y-                                   |  |  |  |
|                                 |   | axis value 0 without establishing                               |  |  |  |
|                                 |   | a specific pattern.   |  |  |  |
| Multiple Linear Regression Test | Based on the results of this study,                       | According to the results of the                                 |  |  |  |
|                                 | Y = -6.364 + 5.308X1 + 0.493X2                            | multiple linear regression test,                                |  |  |  |
|                                 | + e   | the dependent variable (buying                                  |  |  |  |
|                                 |   | decision) is positively impacted                                |  |  |  |
|                                 |   | by the two independent variables (price and product variation). |  |  |  |
| Partial Test (T Test)           | Significant value t < 0.05 or t-                          | It can be concluded that the                                    |  |  |  |
|                                 | count > t-table (1,984).                                  | variable price and product variety                              |  |  |  |
|                                 | count > 1 more (1,707).                                   | partially have a significant effect                             |  |  |  |
|                                 |   | on purchasing decisions.  |  |  |  |
| Simultaneous Test (F Test)      | Significant value f (0.000) < 0.05                        | It can be concluded that variable                               |  |  |  |
|                                 | or f-count (195.025) $>$ f-table                          | price and product variety, either                               |  |  |  |
|                                 | (3.09).   | simultaneously or together, have                                |  |  |  |
|                                 |   |   |  |  |  |



|                                  |               |   | a significant effect on purchasing  |
|----------------------------------|---------------|---|---|
|                                  |               |   | decisions.  |
| Coefficient of (R <sup>2</sup> ) | Determination | 2 | Price and product variety can<br>affect the dependent variable,<br>namely the purchase decision of<br>79.7%. while the remaining<br>20.3% is influenced by other<br>variables not present in this |
|                                  |               |   | study.  |

# 5. CONCLUSION AND SUGGESTIONS

# 5.1 Conclusion

The purpose of this analysis is to ascertain the impact of product and price variance on Mountea's purchasing decisions. In this survey, 100 Mountea customers participated as respondents. Researchers can make the following findings based on the data they have gathered and the experiments they have run:

- 1. The price variable has some influence on Mountea's decision to buy.
- 2. Mountea's purchase decision is influenced in part by the variable product variance.
- 3. Both product and price variances have an impact on Mountea's decision to buy.

# 5.2 Suggestions

The researcher offers recommendations for the business and for additional research based on the aforementioned conclusions.

1. For the business

According to the study's findings, Mountea customers' choices of products and prices are important. Therefore, it must ideally be kept at a reasonable price while maintaining the quality of the products. The packaging shape can still be updated with a more appealing style or look for product variations.

 For additional research In order to get better and more accurate research results, the following researcher can expand this study by include additional factors like promotion and product quality as well as by examining more samples.

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