

MARKETING | RESEARCH ARTICLE

Consumer Decision-Making Toward Ultra Milk UHT Product: The Role of Brand Image, Price Perception, and Product Quality in Magetan Regency, Indonesia

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ARTICLE HISTORY

Received: May 25, 2025

Revised: July 05, 2025

Accepted: July 30, 2025

DOI

<https://doi.org/10.52970/grmapb.v6i1.1331>

ABSTRACT

This study analyzes the influence of brand image, price perception, and product quality on consumers' Ultra Milk UHT purchasing decisions in Magetan Regency. A quantitative descriptive approach was used, involving 85 respondents selected through convenience sampling. Data were analyzed using the Partial Least Squares (PLS) method with SmartPLS software. The findings show that brand image, price perception, and product quality each positively and significantly affect purchase decisions. These results provide strategic implications for the company to enhance brand strength, align pricing with consumer perceptions, and consistently maintain product quality in a competitive UHT milk market.

Keywords: Brand Image, Price Perception, Product Quality, Purchase Decision.

JEL Code: M31, D12, L66.

I. Introduction

Advancements in milk processing technology, particularly Ultra High Temperature (UHT), have produced long-lasting milk without compromising nutritional value. This technology works through a brief heating process at 135–154°C for 1–3 seconds to kill harmful microorganisms. Although there are concerns that UHT processing may reduce nutritional content, previous studies indicate that UHT milk retains essential nutrients and is safe for consumption (Makarim, 2023). However, this statement needs to be supported by scientific sources from reputable journals to strengthen its validity. In recent years, UHT milk consumption in Indonesia has increased with growing public awareness of healthy eating habits (Yonatan, 2024). This product is popular due to its convenience, lack of refrigeration requirement, and wide availability. As a pioneer of UHT milk in Indonesia, PT Ultrajaya Milk Industry Tbk (ULTJ) leads the market with its flagship product, Ultra Milk. However, according to the 2024 Top Brand Index data, Ultra Milk experienced a significant market share decline from 36% in 2022 to 21.2% in 2024. This indicates a shift in consumer preferences and increased competition from brands such as Bear Brand and Indomilk. Sales data from UD Langgeng Jaya Grosir in Magetan Regency shows fluctuating Ultra Milk sales throughout 2024, with sharp declines in certain months. This decline reinforces the assumption that there is a mismatch between the marketing strategies implemented and market expectations. Although product distribution is relatively even, maintaining consumer loyalty and increasing sales volume remains challenging. A deeper understanding of the factors

influencing purchasing decisions is essential. Previous studies have mentioned that brand image, price perception, and product quality influence purchasing decisions (Anissa & Yulianto, 2022; Irawan, 2021; Amiliya, 2023). However, most of these studies were conducted in urban areas or examined only a portion of the variables. There is still a gap in the literature regarding how these three variables simultaneously affect purchasing decisions in semi-urban areas such as Magetan Regency.

II. Literature Review and Hypothesis Development

2.1. Brand Image

Brand image refers to the consumer's perception formed through their experiences and information received about a product. A positive image enhances trust and brand loyalty. Anissa and Yulianto (2022) defined brand image as the consumer's view of a brand based on past experiences. Syafriandra et al. (2024) identified key brand image indicators, including recognition, reputation, and emotional affinity. In the context of Ultra Milk, brand image is reflected in consumer perceptions of product quality and reliability, given its long-standing presence in the Indonesian market.

2.2. Price Perception

Price perception is the consumer's assessment of a product's value relative to its cost. Consumers are more likely to purchase if they perceive the price as fair, affordable, and aligned with product quality. Irawan (2021) outlined three key indicators of price perception: affordable price, price conformity, and competitive price. Swastha, as cited in Irawan (2021), emphasized that pricing strategies should consider consumer purchasing power and market positioning. In this study, perceived fair pricing for Ultra Milk is expected to influence purchase decisions in Magetan significantly.

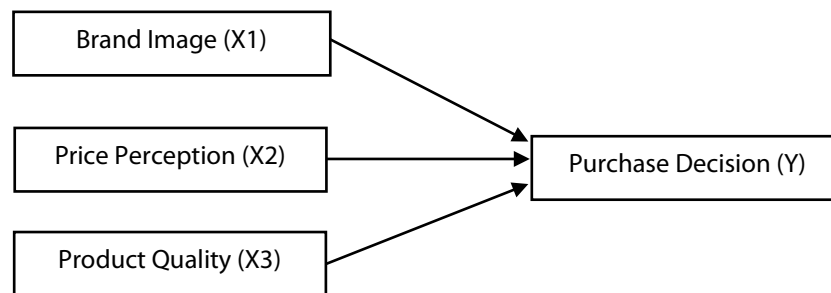
2.3. Product Quality

Product quality refers to the ability of a product to meet consumer expectations, both functionally and emotionally. Anissa & Yulianto (2022) explained that product quality includes attributes such as features, performance, and reliability. Razak (2019) identified specific indicators of product quality: features, performance, reliability, durability, aesthetics, and conformance to standards. Quality encompasses taste, nutritional value, packaging, and shelf-life for UHT milk. Ultra Milk must ensure consistency in these aspects to align with consumer expectations.

2.4. Purchase Decision

A purchase decision is the outcome of a consumer's evaluation process before selecting a product. Kotler, as cited in Amiliya (2023), described this process as including purchase purpose, information processing, confidence in the product, recommendation, and repurchase intention. According to Syafriandra et al. (2024), purchasing decisions are influenced by rational factors like price and quality, brand image, and trust. This study analyzes the purchase decision regarding Ultra Milk as the dependent variable affected by the three main independent variables.

- H1 = Brand image positively influences purchase decisions for Ultra Milk UHT.
- H2 = Price perception positively influences purchase decisions for Ultra Milk UHT.
- H3 = Product quality positively influences purchase decisions for Ultra Milk UHT.

**Figure 1. Conceptual Framework**

III. Research Method

This study employs a quantitative approach with a descriptive method. This approach was selected because it is suitable for explaining relationships between variables numerically based on data from a population or sample (Sugiyono, 2023). The study aims to analyze the influence of brand image, price perception, and product quality on purchasing decisions of Ultra Milk UHT in Magetan Regency. The sample size was determined using the minimum rule of thumb proposed by Hair et al. (2014), which suggests a sample size of 5 to 10 times the number of indicators. With 17 indicators, the minimum number of respondents required was 85. The choice of a multiplier of 5 was due to the exploratory nature of the study in Magetan, which has not been widely researched, as well as limitations in population accessibility and data collection feasibility. The sampling technique used was non-probability sampling, specifically convenience sampling, as the respondents were selected from individuals who were easily accessible and willing to participate. This technique was chosen due to time and budget constraints; however, it has implications for the generalizability of the research findings (Suriani et al., 2023). As such, the results cannot be fully generalized to the entire population of Ultra Milk consumers in Magetan. Data were collected through an online questionnaire distributed via Google Forms. The questionnaire consisted of two sections: respondent demographics and statements related to the research variables measured using a five-point Likert scale (1 = strongly disagree to 5 = strongly agree). The instrument was developed based on theoretical indicators from previous literature such as Anissa & Yulianto (2022), Syafriandra et al. (2024), and Kotler in Amiliya (2023). Instrument validation and reliability testing were conducted through construct validity and composite reliability analysis using SmartPLS software. A limited pilot test was also conducted with 10 initial respondents to ensure the clarity of the questions. The response rate could not be accurately calculated due to distribution via social media; however, data validity was enhanced by filtering respondents who were active consumers of Ultra Milk in Magetan. The data types collected included primary data from respondents and secondary data from relevant literature. The data were analyzed using the Partial Least Squares – Structural Equation Modeling (PLS-SEM) method with the latest version of SmartPLS software. This method was chosen because it is appropriate for predictive models with relatively small sample sizes and non-normal data (Hair et al., 2017).

IV. Results and Discussion

4.1. Outer Loading

Table 1. Outer Loadings

	Brand Image (X1)	Price Perception (X2)	Product Quality (X3)	Purchase Decision (Y)
X1.1	0.675			
X1.2	0.793			
X1.3	0.710			
X2.1		0.779		

	Brand Image (X1)	Price Perception (X2)	Product Quality (X3)	Purchase Decision (Y)
X2.2		0.773		
X2.3		0.645		
X3.1			0.755	
X3.2			0.655	
X3.3			0.579	
X3.4			0.675	
X3.5			0.727	
X3.6			0.779	
Y.1				0.739
Y.2				0.569
Y.3				0.712
Y.4				0.630
Y.5				0.836

The validity of an indicator is determined through the value of the loading factor, which must exceed 0.5. The loading factor shows the strong relationship between the indicator and the construct or variable it represents. The results show that all variable indicators Brand Image (X1), Price Perception (X2), Product Quality (X3), and Purchase Decision (Y) meets the criteria of convergent validity.

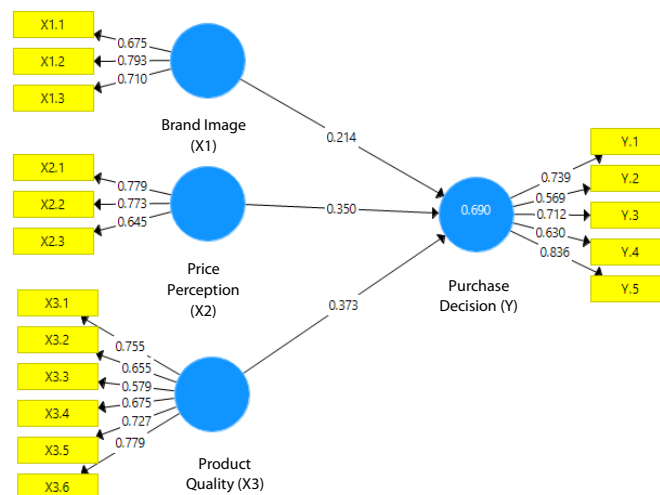


Figure 2. Outer Model with factor loading, Path Coefficient, and R-Square

4.2. Cross Loading

Table 2. Cross Loading

	Brand Image (X1)	Price Perception (X2)	Product Quality (X3)	Purchase Decision (Y)
X1.1	0.675	0.315	0.521	0.459
X1.2	0.793	0.498	0.565	0.585
X1.3	0.710	0.342	0.481	0.397
X2.1	0.437	0.779	0.540	0.554
X2.2	0.467	0.773	0.560	0.577
X2.3	0.272	0.645	0.467	0.476
X3.1	0.581	0.482	0.755	0.612

	Brand Image (X1)	Price Perception (X2)	Product Quality (X3)	Purchase Decision (Y)
X3.2	0.400	0.510	0.655	0.470
X3.3	0.413	0.432	0.579	0.355
X3.4	0.469	0.533	0.675	0.519
X3.5	0.555	0.475	0.727	0.638
X3.6	0.563	0.567	0.779	0.591
Y.1	0.388	0.502	0.479	0.739
Y.2	0.535	0.501	0.402	0.569
Y.3	0.622	0.522	0.608	0.712
Y.4	0.339	0.488	0.470	0.630
Y.5	0.591	0.563	0.710	0.836

The results of the cross loading test indicate that all indicators have loading values above 0.5 and show a stronger relationship between the measured constructs and other variables. This indicates no overlap between constructs, so discriminant validity is met and the measurement model is declared feasible.

4.3. Average Variance Extracted (AVE)

Table 3. Average Variance Extracted (AVE)

Variable	Average Variance Extracted (AVE)
Brand Image (X1)	0,530
Purchase Decision (Y)	0,501
Product Quality (X3)	0,500
Price Perception (X2)	0,540

Based on the test results of the Average Variance Extracted (AVE) value, it is known that the Brand Image variable (X1) has a value of 0.530, Price Perception (X2) has a value of 0.540, Product Quality (X3) has a value of 0.500, and Purchase Decision (Y) has a value of 0.501. All variables in this study met the convergent validity criteria well because all values were above the threshold of 0.5.

4.4. Composite Reliability

Table 4. Composite Reliability

Variable	Composite Reliability
Brand Image (X1)	0,771
Purchase Decision (Y)	0,828
Product Quality (X3)	0,850
Price Perception (X2)	0,778

According to composite reliability testing, the brand image variable (X1) obtained a score of 0.771, the price perception variable (X2) obtained a score of 0.778, the product quality variable (X3) obtained a score of 0.850, and the purchasing decision variable (Y) obtained a score of 0.828. All variables in this study meet the requirements for good reliability, because all values exceed the minimum limit of 0.70.

4.5. Latent Variable Correlation

Table 5. Latent Variable Correlations

Variable	Brand Image (X1)	Purchase Decision (Y)	Product Quality (X3)	Price Perception (X2)
Brand Image (X1)	1,000	0,672	0,721	0,541
Purchase Decision (Y)	0,672	1,000	0,777	0,732
Product Quality (X3)	0,721	0,777	1,000	0,713
Price Perception (X2)	0,541	0,732	0,713	1,000

The results of the correlation analysis between latent variables show a strong and diverse relationship; the variables Product Quality (X3) and Purchase Decision (Y) have the highest correlation, indicating that product quality influences purchase decisions more than other variables in the research model.

4.6. Inner Model

Table 6. R-Square

	R Square
Purchase Decision (Y)	0.690

The structural model was tested with the R-squared value to test the goodness-of-fit. The R² value of 0.690 indicates that the research model can explain 69% of the variation in purchasing decisions influenced by the independent variables of product quality, price perception, and brand image, and other unidentified factors influence the remaining 31%.

4.7. Hypothesis Testing

Hypothesis testing can be analyzed through path coefficients, P values, and T-statistic values from the following table 7:

Table 7. Path Coefficients (Mean, STDEV, T-Values)

	Path Coefficients (O)	T Statistics (O/STDEV)	P Values	Information
Brand Image (X1) -> Purchase Decision (Y)	0,214	2,097	0,018	Accepted
Product Quality (X3) -> Purchase Decision (Y)	0,373	3,184	0,001	Accepted
Price Perception (X2) -> Purchase Decision (Y)	0,350	3,855	0,000	Accepted

A hypothesis conclusion was obtained:

H1: Brand Image has a positive influence on Purchasing Decisions

The hypothesis is accepted because the path coefficient is 0.214 with a T-statistic value of 2.097 > 1.96 and a P-value of 0.018 < 0.05, indicating a significant and positive influence.

H2: Price Perception has a positive influence on Purchasing Decisions

The hypothesis is accepted because the path coefficient is 0.350 with a T-statistic value of 3.855 > 1.96 and a P-value of 0.000 < 0.05, indicating a significant and positive influence.

H3: Product Quality has a positive influence on Purchasing Decisions.

Hypothesis accepted because the path coefficient is 0.373 with a T-statistic value of $3.184 > 1.96$ and a P-value of $0.001 < 0.05$, indicating a significant and positive influence.

The significance value of the T-statistic is obtained from the SmartPLS output results using the bootstrapping method, as shown in the following image:

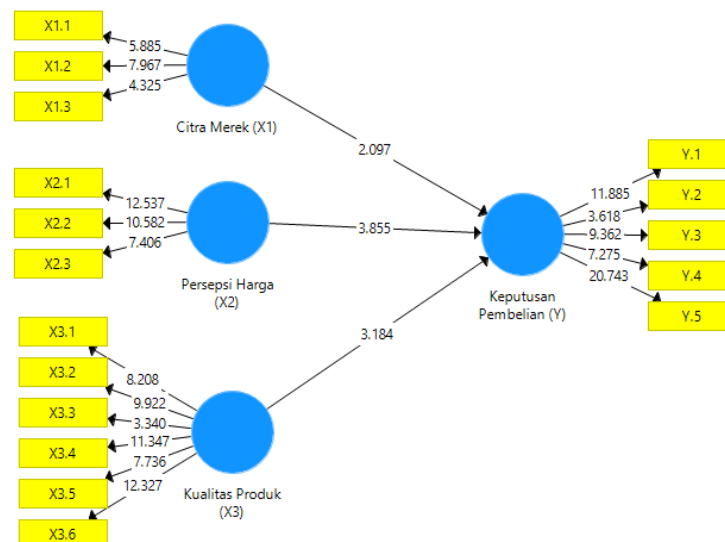


Figure 3. Inner Model with significance value of T-Statistic Bootstrapping

4.8. Discussion

4.8.1. The Influence of Brand Image (X1) on Purchasing Decisions (Y)

Based on the results of data analysis, it is known that brand image contributes significantly to consumer decisions to purchase Ultra Milk UHT milk, where a positive brand image comes from consumer perceptions and experiences regarding the quality, safety, and trust in the product, driving increased purchasing decisions. This is in line with research by Anissa & Yulianto (2022) and Amiliya (2023), which shows that a positive brand image impacts increasing purchasing decisions. Information through advertising, promotions, and customer testimonials also shapes this trust. Descriptive analysis shows that reputation is the most influential indicator of brand image, reflecting consumers' long-term experience with the quality and service of Ultra Milk.

4.8.2. The Influence of Price Perception (X2) on Purchasing Decisions (Y)

Based on the results of data analysis, it is known that price perception contributes significantly to consumer decisions to purchase Ultra Milk UHT milk, where consumers assess whether the price of the product is cheap and comparable to its quality, taste, and safety, thus fostering confidence to buy. These results support the findings of Irawan (2021) and Wijaya & Budiani (2022), which state that prices considered commensurate with quality drive consumer decisions. Descriptive analysis shows that the affordable price indicator influences purchasing decisions the most because consumers consider their purchasing power and consider Ultra Milk to have high economic value compared to similar products.

4.8.3. The Effect of Product Quality (X3) on Purchasing Decisions (Y)

Based on the results of data analysis, product quality has been shown to contribute significantly to consumer decisions to purchase Ultra Milk UHT milk, where consumers assess aspects such as taste, durability, nutritional content, and product packaging to meet their expectations, thus encouraging repeat purchases. This finding is consistent with Febrianty et al. (2023), who emphasize the importance of quality in building consumer loyalty. Descriptive analysis shows that quality conformity is the most dominant indicator, because consumers feel that Ultra Milk meets their expectations in terms of taste, nutrition, and overall quality, which is the main reason they continue to choose this product.

V. Conclusion

Brand image, price perception, and product quality have been shown to contribute significantly to consumer decisions to purchase Ultra Milk UHT milk. Consumers are more likely to choose products that have a good brand image. This is because purchasing decisions are influenced by functional aspects such as price and quality, as well as emotional and symbolic factors associated with the brand. Consumers are also motivated to purchase a product if the price perception is affordable and comparable to its quality. In addition, product quality including taste, durability, and conformity to consumer expectations are crucial factors that strengthen purchasing decisions. The weaknesses of this study are the limited variables analyzed, the use of convenience sampling techniques that do not represent the population at large, the relatively small number of respondents, the location focus only in Magetan Regency, and the absence of a qualitative approach that can dig deeper into consumer motivation and behavior towards purchasing decisions. Therefore, PT Ultrajaya Milk Industry Tbk is advised to strengthen its brand imaging strategy, especially in the Magetan area, by improving its reputation and brand communication to be more personal and relevant, and show concern for public health and education. In addition, companies must maintain competitive prices, balance affordability and quality, and continue to improve product quality, especially in terms of taste, durability, and packaging, to meet consumer expectations. To better understand consumer behavior in the UHT milk market, further research is needed to investigate additional variables such as promotion, consumer loyalty, and social media influence.

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