The Influence of Product Quality and Price Perception on The Repurchase of Aqua in Jakarta Mediated by Brand Image

Charlie Fransiskus¹, Abdullah Rakhman²
Institut Bisnis dan Informatika Kwik Kian Gie¹-²
Jl. Yos Sudarso Kav. 87, Sunter, Jakarta 14350, Indonesia
Correspondendoe E-mail: charlie.fransiskus.cf@gmail.com
ORCID ID: 0009-0004-6781-310X

ARTICLE INFORMATION

Publication information

Research article

HOW TO CITE

DOI:
https://doi.org/10.32535/jicp.v6i1.2266

ABSTRACT

The emergence of various competitors with similar products is a challenge for Aqua. Currently, Aqua is the most well-known bottled water brand in Indonesia. This attracts the attention of the author, who wants to find out the influencing factors by looking at it from the perspective of brand image, product quality, and price perception, which will later influence repurchasing. The sampling technique uses the judgment sampling method by distributing 108 online questionnaires to consumers of Aqua products in Jakarta. In analyzing the data, the structural equation modeling method was used with the SmartPLS program. The results showed that product quality had no effect on brand image or repurchase. Price perception has a positive and significant effect on brand image. Price perception and brand image have a positive and significant effect on repurchase. Brand image cannot mediate the effect of product quality on repurchase, but brand image is able to mediate the effect of price perception on repurchase. The writer suggested that Aqua can clearly demonstrate the superiority of product quality, which can assist consumers in assessing products and distinguishing them from brands with similar products, and hoped Aqua will continue to maintain price compatibility with the quality and benefits provided.

Keywords: Aqua, Brand Image, Price Perception, Product Quality, Repurchase
INTRODUCTION

Diversity in bottled water products currently available encourages consumers to identify them before making a purchase. This diversity will lead to competition, and Aqua must be able to face this competition for the survival of the company. Customers are assets for companies that play an important role and have a habit of buying products from sellers that involve purchasing and payment activities that are repeated (Rusydi, 2017), therefore, companies need to pay attention to product quality so that repurchase of Aqua products can be maintained. Not simplest product quality, additionally brand image is also important for a company's success as a source of competitive advantage. In Aqua products, the brand image of this product is quite strong; the word Aqua is often used to replace the word for mineral water. Which means, when a customer imagines mineral water, the image that comes to mind is Aqua.

Figure 1. Top Brand Index Phase Two in 2022 (Bottled Water)

This statement is supported by a survey from the Top Brand Index phase two in 2022. As shown in Figure 1 (topbrand-award.com), brands that get the Top Brand title are those that were chosen by respondents directly through the survey. The positive phenomenon of Aqua as a Top Brand is the main concern of researchers, which explains why every phase and year the Aqua brand consistently becomes the Top Brand in the Bottled Drinking Water category. On the other hand, there are also negative phenomena. The development of Le Minerale is a serious threat to Aqua's market share.
Aqua, which previously led the market and whose position cannot be replaced by other brands, is now slowly being threatened. In terms of similar industry competition, the development of Le Minerale is a serious threat to Aqua's market share. This statement is supported by Top Brand Index data seen from phase two each year (2019–2022). In figure 2, when viewed in detail, Le Minerale fluctuates until finally it is in second place after Aqua in phase two of 2022.

The fluctuating phenomenon of Le Minerale, which has become a threat to Aqua, is influenced by the strategy of developing market networks and marketing, which is intensive; therefore, their development is quite fast and rapid.

Figure 3. Most Favorite Bottled Water Brand in Indonesia (2022)
Based on a survey conducted by databoks (2022) through the JakPat application on September 26, 2022, there were 1,434 respondents who were involved in this survey. The survey results show that 74.9% of respondents prefer the Aqua brand. Le Minerale is ranked as the second-most favorite mineral water brand with a percentage of 62.1%. It can be seen that Le Minerale's position is not far from Aqua, with a difference of 12.8%. It's possible that one day Le Minerale will be able to replace Aqua as the favorite bottled drinking water of the Indonesian people.

Through its brand image, Le Minerale is trying to build its image as a brand of bottled drinking water that contains natural minerals by using the tagline "kaya ada manis-manisnya" ("it tastes like it's sweet"). In building a brand image so that the brand is easily recognized, when compared to the Aqua tagline "murni dan terlindungi" ("pure and protected"), Le Minerale's creativity is considered superior because it can be remembered in the minds of consumers quickly. Even though there are still many people who call Aqua bottled drinking water, creativity in this competition needs to be watched out for because it has been proven that Le Minerale is starting to dominate the bottled water industry.

From the price perception, both of them give the perception as bottled drinking water products with reasonable prices and quality in their class. As a comparison for the same variants, namely, 600ml and 1,500ml, the prices for both are based on those listed at Indomaret Jabodetabek on the 600ml bottles, Aqua and Le Minerale are both sold at IDR 3,600 and for 1,500ml bottles they are both sold at IDR 6,400.

In terms of repurchasing, when concluding from product quality and price perceptions that are similar between Aqua and Le Minerale, it can have a negative impact and become a threat to Aqua's market share because Le Minerale can be a substitute product for Aqua, and these two products can be found in Anything. As a result, Aqua consumers who make repurchase could switch to Le Minerale’s market share, so that demand from sellers decreases due to the presence of substitute products.

Based on the description of the positive and negative phenomena above, the authors are interested in making observations to find out whether product quality and price perceptions have an effect on repurchase with brand image as mediation for Aqua products.

**LITERATURE REVIEW**

**Product Quality**
In accordance to Kotler and Armstrong (2018) product quality roles one of the most important positioning tools a marketer uses. Quality affects performance of product or service and therefore related close to customer’s value and customer satisfaction. Thus, Arianty and Siregar (2021) add that Good product quality will certainly attract consumers to buy, since people always expect the best items. Product quality indicators were adapted from Kotler and Armstrong (2018), namely, performance quality, quality suitability, and quality expectations.

**Price Perception**
According to Dickson and Sawyer (as cited in Calvo-Porral & Lévy-Mangin, 2017) price perception is conceptualized as a subjective Interpreting the value of a product considering whether the product if it's cheap or expensive. According to Monroe (as cited in Harjati and Venice (2015), the perception of price is formed by two dimensions, namely: (1) Perceived Quality, meaning that customers choose to like products that are more expensive when the information obtained is only the price of the product. (2) Perceived Costs Incurred, meaning that in general the customer’s perception of the costs that are sacrificed to obtain the
product. The price perception indicators were adapted from Kotler and Armstrong (as cited in Budiharja & Riyono, 2016), namely, affordable of price, price compatible to product quality, and price compatible to benefits.

**Brand Image**
According to Keller and Swaminathan (2020), brand image means a consumer’s perception with a brand, which reflected with associations of brand in consumer’s memory. The brand image dimensions are adapted from Keller and Swaminathan (2020), namely, the brand associations strengthness, the advantages of brand associations, and the brand associations uniqueness.

**Repurchase**
According to Hawkins, Mothersbaugh, and Kleiser (2020), repurchase means consumers wants to buy the same brand of product even they do not have an emotional relationship with that brand. A repurchase may be made because it doesn’t see a viable option for its current or custom selection. Repurchase indicators are adapted from Hawkins, Best, and Coney (as cited in Kustianti, 2019), namely, purchase frequency, customer commitment, and positive recommendations. Based on the theory above and the framework, the author makes the hypothesis as follows:

Product with a good quality is a product which could satisfy the customers. Product quality can be a positioning tool, where positioning is related to the product’s brand image. When satisfactory product quality is planted in the consumer’s minds, the consumer’s perception of the product and the brand image that’s formed can be in the form of products offered from these brands, which are quality products. This statement is in accordance with previous research which conducted by Aisha (2017); Kristanto, Widajanti, and Sumaryanto (2017); Laura and Ringo (2017); Fitria (2018); and Oktavenia and Ardani (2018); with the results product quality having a positive significant influence on brand image.

H1: Product quality has a positive significant influence on brand image.

According to Peterick (in Yasri, Susanto, Hoque, & Gusti, 2020), the price perception in general refers to money value (monetary) and sacrifices (non-monetary) that consumers make to obtain products. When the price imagined by consumers is in accordance with the quality provided, the brand image which formed is that the product of the brand has good quality at a reasonable price. This statement accordance with previous research which conducted by Anandia (2015); Nugraha (2017); Afwan and Santosa (2019); and Rahmawati (2022) on the results of research on price perceptions having a positive significant influence to brand image.

H2: Price perception has a positive significant influence on brand image.

From quality that the product provided, it can arise between satisfaction and dissatisfaction with the product. When the expected quality expectations can be met in the product purchased, then, according to one of the indicators from Kustianti (2019), consumers have the opportunity to commit to the product and maintain a relationship with it. This statement accordance with previous research which conducted by Harfania (2018); Mareta and Kurniawati (2020); Santi and Supriyanto (2020); and Ananda and Jamiat (2021), on the results of research which product quality having a positive significant influence on repurchase.

H3: Product quality has a positive significant influence on repurchase.

When consumers feel that the price paid for a product can meet consumer expectations for the product, specifically if the product is offered at a low price, consumers will be encouraged to repurchase the same brand. This statement accordance with previous research which
conducted by Savitri and Wardana (2018); Nugrahaeni, Guspul, and Hermawan (2021); and Aningtyas and Supriyono (2022), with the results of research on price perceptions having a positive significant influence on repurchase.

H4: Price perception has a positive significant influence on repurchase.

When a brand perceived by a consumer has a good image, the consumer’s intention will be encouraged to make a product repurchase transaction at the same brand. This statement accordance with previous research which conducted by Fandiyanto and Kurniawan (2019); Ekaprana, Jatra, and Giantari (2020); and Maulida (2021), with the results brand image having a positive and significant influence on repurchase.

H5: Brand image has a positive significant influence on repurchase.

According to Hawkins et al. (2020), repurchase means continuing to buy the same brand even though they have no emotional attachment to that brand. Rebuys may be made out of habit or because you do not see a viable option for the current selection. When a product can meet consumer expectations, consumers will perceive the brand as having a decent image. This decent quality will encourage consumers to continue buying products from the same brand. This statement accordance with previous research which conducted by Sanjaya (2018); Suartama and Setiawan (2018); Santika and Mandala (2019); and Asmedi (2020), with the results of brand image research being significantly able to mediate the influence of product quality on repurchase.

H6: Product quality has a positive significant influence on repurchase which mediated by brand image.

Kotler, Keller, and Chernev (2022) state that focused repeat purchases are influenced by a firm’s ability to deliver high consumer value and customer satisfaction. If the price quoted by the consumer corresponds to the quality achieved, the brand image is formed that the product is reasonably priced (not too expensive) for its quality. When producers are able to provide this value, the opportunity for consumers to make repurchase is even greater. This statement accordance with previous research which conducted by Welsa, Kurniawan, and Nagar (2021), with the results of brand image research being significantly able to mediate the effect of price perception on repurchase.

H7: Price perception has a positive significant influence on repurchase which mediated by brand image.

**Figure 4. Framework Diagram**
RESEARCH METHOD

In this research, the object of research is Aqua bottled water, while the research subjects are consumers who have already purchased and who will repurchase Aqua products in Jakarta. Product quality and price perceptions are the independent variables, brand image is the intervening variable, and repurchase as the dependent variable. In taking the sample, the researcher uses judgment sampling.

The number of respondents to be taken based on Hair, Black, Babin, and Anderson (2019) is the number of indicators multiplied by five to ten, with a recommended sample size of at least 100 respondents. Based on this formulation, the sample size is 12 x 5–10 = 60–120 samples, with a total of 108 samples collected. Researchers used a scale of likert with Very Disagree, Disagree, Neutral, Agree, and Very Agree. Each answer is given a score of 1–5, with 1 for the unfavorable question and 5 for the favorable. The data analysis technique used to analyze the data according to the model developed is structural equation modeling, which is operated through the SmartPLS 4 program.

RESULTS

Test of Direct Effect and Significance

Figure 1. Direct Effect and Significance Results

|                      | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T statistics (|O/STDEV|) | P Values |
|----------------------|---------------------|-----------------|-----------------------------|-----------------------------|----------|
| X1 Product Quality  -> Y1 Brand Image | 0.118               | 0.132           | 0.123                       | 0.965                       | 0.335    |
| X1 Product Quality  -> Z1 Repurchase   | 0.124               | 0.139           | 0.127                       | 0.978                       | 0.328    |
| X2 Price Perception -> Y1 Brand Image | 0.523               | 0.534           | 0.094                       | 5.574                       | 0.000    |
| X2 Price Perception -> Z1 Repurchase   | 0.313               | 0.325           | 0.125                       | 2.500                       | 0.013    |
| Y1 Brand Image  -> Z1 Repurchase       | 0.317               | 0.304           | 0.133                       | 2.383                       | 0.017    |

To view the relations between each variables, T-statistics are used with a significant level of 0.05 through the bootstrapping process in the SmartPLS 4 program. This test aims to see the significance relations between each variables. It can be said to be significant if it’s >1.96 and not significant if it < 1.96 (Ghozali, 2021). Positive effect means when the influencing variable and the affected variable have the same direction. This means that when one of the variable values increases, the value of the other variables also increases.

Product quality has positive direction but it’s influence not significant on brand image. The original sample value is 0.118 > 0 so that it’s positive, but it’s not significant because the value of the t-statistic is 0.965 <1.96. Price perception has positive direction and it’s influence significant on brand image. The original sample value is 0.523 > 0 so that it’s positive, it’s significant because the value of the t-statistic is 5.574 > 1.96. Product quality has positive direction but it’s influence not significant on repurchase. The original sample value is 0.124 > 0 so that it’s positive, but it’s not significant because the value of t-statistic is 0.978 < 1.96. Price perception has positive direction and it’s influence significant on
repurchase. The original sample value is \(0.313 > 0\) so that it’s positive, it’s significant because the value of the t-statistic is \(2.5 > 1.96\). Brand image has positive direction and it’s influence significant on repurchase. The original sample value is \(0.317 > 0\) so that it’s positive, it’s significant because the value of the t-statistic is \(2.383 > 1.96\).

**Test of Indirect Effect and Significance**

**Figure 2.** Indirect Effect and Significance Test Results

|                | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T statistics (|O/STDEV|) | P Values |
|----------------|---------------------|-----------------|----------------------------|--------------------------|----------|
| X1 Product Quality -> Y1 Brand Image -> Z1 Repurchase | 0.037              | 0.036           | 0.043                      | 0.872                    | 0.383    |
| X2 Price Perception -> Y1 Brand Image -> Z1 Repurchase | 0.166              | 0.163           | 0.080                      | 2.069                    | 0.039    |

Product quality has positive direction but it’s influence on repurchase through brand image not significant. The value of the original sample is \(0.037 > 0\), the value of T-statistics is \(0.872 <1.96\), which means that the influence product quality on repurchasing isn’t significant through brand image.

Price perception has positive direction and it’s influence significant on repurchase through brand image. The value of the original sample is \(0.166 > 0\), the T-statistics value shows \(2.069 > 1.96\), which means price perception has positive significant influence to repurchase through brand image.

**DISCUSSION**

The hypothesis 1 (H1) was rejected because the results showed that the sample data could not prove the influence between product quality and brand image. This statement contradicts with the research result which conducted by Aisha (2017); Kristanto et al. (2017); Laura and Ringo (2017); Fitria (2018); and Oktavenia and Ardani (2018) with the research result that product quality having a positive significant influence on brand image.

It could be happen because product quality in bottled water has common measurement parameters. For example, water which has a good quality and safe for consumption is water that is odourless, colourless, and has no taste. This can be easily decided by consumers, so that from various brands of similar products consumers will immediately decide that generally bottled drinking water on the market has the same quality. Consumers will feel that substitute brands can also provide performance that can meet needs, as provided by Aqua so that the influence of the product quality on the brand image of Aqua packaged drinking water products is not significant.

The hypothesis 2 (H2) is accepted because the research results show that the influence of price perception on brand image not only positive but also significant. This statement accordance with previous research which conducted by Anandia (2015); Nugraha (2017); Ambarawati (2018); Afwan and Santosa (2019); and Rahmawati (2022) with the results of research on price perceptions having positive significant influence on brand image. But, other result show this statement contradicts with the results which conducted by Ryananda,
Udayana, and Maharani (2022) that showed price perceptions have positive direction but isn’t significant influence on brand image.

It could be happen because the perception of price can be measured directly by consumers, because each brand offers a different nominal value. When consumers feel that the price sacrificed is in accordance with the benefits and quality received and can meet their needs, it will have an impact on the brand image of Aqua’s own products, whether the Aqua brand offers appropriate value at a reliable price or not. Thus, the effect of perceived price on the brand image of packaged drinking water products AQUA is positive and significant.

The hypothesis 3 (H3) is rejected because the the research results that has been shown previously indicate that the sample data cannot prove the effect between product quality and repurchase. This statement accordance with previous research which conducted by Ramadhan and Santosa (2017), which showed product quality hasn’t significant influence on repurchase. But, other result show this statement contradicts with the research results which conducted by Harfania (2018), Mareta and Kurniawati (2020); Santi and Supriyanto (2020); and Ananda and Jamiat (2021), which showed product quality having positive significant influence on repurchase.

It could be happen because the parameters for measuring the quality of bottled water are too general and look the same for all brands of the same type. With the existence of various brands of bottled water as substitute products, consumers may not always repurchase Aqua products, especially when Aqua products are not available for consumers to purchase.

The hypothesis 4 (H4) is accepted because the results from the study that has been done previously show the relation between price perception and repurchase is positive and significant. This statement accordance with previous research which conducted by Savitri and Wardana (2018); Nugrahaeni (2021); and Aningtyas and Supriyono (2022) with the results of research on price perceptions having a positive and significant influence on repurchase. But, other result show this statement contradicts with the research results which conducted by Prabowo (2018) and Safitri (2021) with the research results that the influence of price perception isn’t significant on repurchase.

It could be happen because consumers feel that the previously perceived price of Aqua is in accordance with the perceived quality and benefits, thus encouraging consumers to repurchase products of the same brand.

The hypothesis 5 (H5) is accepted because the results from the study that has been done previously show the relation between brand image and repurchase is positive and significant. This statement accordance with previous research which conducted by Fandiyananto and Kurniawan (2019); Ekaparana et al. (2020); and Maulida (2021) with the results of research on brand image having a positive and significant effect on repurchase. But, other result show this statement contradicts with the research results which conducted by Setyaningrum and Wati (2019) and Fatmalawati and Andriana (2021) with the research result showed the influence of brand image not being significant on repurchase.

The ability of Aqua products to meet consumer needs and desires, as well as to offer uniqueness to consumers gives the impression of a good brand image for customers, so that with a good brand image consumers will be encouraged to repurchase AQUA products.

The hypothesis 6 (H6) was rejected because the results showed that the sample data could not prove the influence of brand image in mediating product quality with repurchase. This statement contradicts previous research conducted by Sanjaya (2018); Suwartama and
Setiawan (2018); Santika and Mandala (2019); and Asmedi (2020), with the results of brand image research being significantly capable to mediate the influence of product quality on repurchase.

Sample data cannot prove the influence of brand image in mediating product quality on repurchase because the quality of bottled water products is difficult to distinguish. Good product quality is a product that can provide quality according to Aqua’s consumer expectations or even more so that consumers feel their needs fulfilled and encourage them to make repurchase. In bottled drinking water products, consumers will feel their needs are fulfilled if they get water which suitable for drinking. With so many brands of similar products offering drinkable bottled drinking water on the market, product quality does not play a major role in influencing brand image or repurchasing. So, there is no influence with brand image in its role to mediating the influence of product quality on repeat purchases.

The hypothesis 7 (H7) is accepted because the results from the study that has been done previously show brand image has a role in mediating the influence of price perception on repurchase. This statement accordance with previous research which conducted by Welsa et al. (2021), with the results of brand image research being significantly capable to mediate the influence of price perception on repurchase.

Consumers perceive whether the price offered by Aqua is in accordance with the quality and benefits. If the quality and benefits are in accordance with the perceived price, it means that it influences one of the brand imagers, namely being able to meet the needs and desires of consumers. Aqua consumers who feel their needs are met at a fair price will be encouraged to make repurchases and do not rule out giving recommendations to others to consume products from the Aqua brand.

CONCLUSION

Research showed product quality had no influence on brand image and repurchase. Price perception has positive significant influence on brand image and repurchase. Brand image has positive significant influence on repurchase. The indirect relationship between product quality mediated by brand image were stated as no-effect nonmediation, which means both of direct or indirect effect result was not significant. The indirect relationship between price perception mediated by brand image stated as complementary mediation, which means both direct and indirect influence results were significant and having same direction. Based on the research that has been done, it can be seen that product quality cannot affect brand image and repurchase. Thus, it is hoped that Aqua can clearly demonstrate the superiority of product quality which can assist consumers in assessing products and distinguishing them from brands with similar products. On the other hand, price perception can influence brand image and repurchase. Thus, it is hoped that Aqua will continue to maintain price compatibility with the quality and benefits provided, as well as provide offers at competitive prices to encourage repeat purchases.

ACKNOWLEDGMENT
This research was supported by Kwik Kian Gie School of Business in Indonesia. The author also thank to lecturers who helped during the process of entire research and writing article.

DECLARATION OF CONFLICTING INTERESTS
There are no potential conflicting interests reported by the author.
REFERENCES


