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The Influence of Brand Positioning and Price Perception on Purchase Decisions of Instant Milk

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Abstract

Intense market competition, coupled with the emergence of various instant milk brands with competitive prices, motivated this research. This study examines the influence of brand positioning and price perception on the purchase decision products . The research is driven by the growing globalmarket and increasing brand competition. A company's success in brand positioning and how consumers perceive prices are key factors influencing purchasing behavior. Using a quantitative approach, data were collected from 100 consumers selected through purposive sampling. The data were analyzed using multiple linear regression . The results indicate that both brand positioning and price perception significantly influence purchase decisions, both partially and simultaneously. Based on these findings, it is recommended that continue to innovate its products and an innovative unique value propotion strategies on prioritizingquality to strengthen its competitive advantage and increase consumer loyalty in a highly competitive market.

Keywords: *Brand positioning, Perceived Price, Purchase Decision*

INTRODUCTION

The global instant milk market is showing a significant upward trend, with an expected compound annual growth rate (CAGR) of 8% from 2023 to 2030. This growth is mainly driven by rising consumer demand for long-shelf-life food products, dairy and processed milk, and the increasing use of instant milk in various food applications.This global trend suggests that instant milk consumption, including in Indonesia, will continue to grow in the coming years. This potential is illustrated by the rising global and local market projections, highlighting the strategic importance of the instant milk segment for producers.

However, the positive trend is not fully reflected in performance of all company as dairy producers. Despite being part of FrieslandCampina—the world's largest dairy cooperative—its brand index has declined over the past five years. The Top Brand Index for Frisian Flag dropped from 21.90 in 2020 to 18.10 in 2024, indicating a decline in consumer loyalty. According to research, brand loyalty reflects emotional attachment between consumers and brands, which directly influences purchasing behavior.

On the other hand, Indonesia's dairy market shows great potential. According to Batubara (2023), Indonesia is projected to become the fourth-largest revenue-generating country in the liquid dairy sector by 2028, surpassing countries like Japan, Russia, and Germany. This growth is supported by rising public awareness of nutrition and healthy lifestyles. However, the domestic market is also becoming more competitive, with local brands like Ultra Milk and Indomilk, along with international players, actively expanding their market shares.

Competition in the dairy sector is no longer just about pricing. It now includes product innovation, digital marketing strategies, and more engaging approaches to reach younger consumers. These changes demand greater adaptability from companies. One key factor influencing consumer purchasing decisions is brand positioning. It refers to how a company positions its brand in consumers' minds compared to competitors. Strong positioning can significantly impact consumer choices and company profitability.

Another important factor is price perception, which reflects how customers evaluate a product's price based on the value they expect. Studies show mixed results regarding the significance of price perception in purchasing decisions, with some finding it influential and others not.

Based on these issues, the study aims to provide empirical evidence on the impact of brand positioning and price perception on the purchasing decisions of milk consumers in Central Java. The findings are expected to help all company as milk producers Indonesia improve its marketing strategies and rebuild consumer loyalty in an increasingly competitive market.

LITERATURE REVIEW
Theory of Planned Behaviour

The Theory of Planned Behavior (TPB) explains that attitudes toward behavior are key determinants in predicting actions, but subjective norms and perceived behavioral control must also be considered. When individuals hold positive attitudes, receive social support, and perceive fewer barriers, their intention to act becomes stronger (Ajzen, 2012). In this research context, brand positioning reflects consumers' attitudes toward purchase behavior, as a brand's image and positioning shape positive or negative perceptions that influence purchase intentions. Meanwhile, price perception relates to perceived behavioral control, determining consumers' willingness to buy based on the offered price. Ultimately, purchase decisions are the realization of these intentions. Thus, TPB provides a relevant theoretical foundation for explaining how brand positioning and price perception influence consumers' purchase decisions of products.

When a company's positioning method is better, more customers will make a purchase (Dirwan, 2022), High-quality products can enhance brand credibility and influence buyer preferences (Novanda & Widodo, 2022). Connecting and communicating product advantages that serve as consumer competitiveness is part of determining market positioning (Soleha et al., 2023). A marketing plan benefits from strong brand positioning as it clarifies the core of the brand, but such positioning does not have a significant impact on purchasing decisions (Al Hidayad et al., 2024), Consumers' perceptions of a brand and their purchasing decisions are significantly influenced by a firm and clear brand positioning strategy (Nugraha & Sjoraida, 2025).

When customers perceive prices more positively, they are more likely to make a purchase (Anwar & Andrean, 2021), The better the consumer perceives the product, the better the brand image. When the perception about the price and the brand image meet, transaction can happen (Suhud et al., 2022), If there is a greater price difference compared to the product quality, consumers will be more interested in purchasing the product and ultimately make a buying decision (Nasution et al., 2023), Consumers will purchase more products if they have greater trust in the quality, regardless of the price (Akbar & Hayuningtias, 2023) , The way customers perceive a company's offering, brand reputation, product quality that meets their expectations and needs, product appearance, and their opinions about price can all have an influence (Akbarullah & Silitonga, 2024).

A person's decision is the act of settling on one alternative among the available options, formed from a combination of attitudes and knowledge to evaluate those choices (Sania, 2021), Consumers' considerations when choosing a product before purchasing are influenced by the brand's position in the market (Novanda & Widodo, 2022), Price perception is something expected

by those who create it, which may come from within themselves and can be influenced by others (Akbar & Hayuningtias, 2023), The way customers perceive a company's offering, brand reputation, product quality that meets their expectations and needs, product appearance, and their opinions about price can all have an influence influence (Akbarullah & Silitonga, 2024), Is influenced by consumer's positive attitudes and knowledge toward the brand (Nugraha & Sjoraida, 2025).

Linked to the results of the above research analysis, several variables can be used in this study, namely brand positioning, perceived price, and purchase decision. As for rand positioning is the actions and efforts taken by a brand to be more strongly remembered by its market, thus playing an important role in purchasing decisions. Mishael (2021), in his first edition of Strategic Brand Management, stated "Known makes loved" as a result of his research on the cognitive approach to brand marketing. Soleha et al. (2023) found in their study that the brand positioning applied by PT. Frisian Flag effectively provides consumers with strong brand knowledge. Similarly, the study by (Nugraha & Sjoraida, 2025) shows that brand positioning plays a crucial role in providing consumers with knowledge about a product in their final purchasing decision.

Price perception influences purchasing decisions, as it reflects a customer's evaluation of whether the price is appropriate in relation to the benefits of the product. This is supported by (Anwar & Andrean, 2021), who stated in their research that the better a product's price perception is in the minds of consumers, the more positively and significantly it affects purchasing decisions. (Akbarullah & Silitonga, 2024) also confirmed the existence of an influence of price perception on purchasing decisions.

RESEARCH METHOD

The research method used in this thesis is a quantitative method with a descriptive and causal approach. This study aims to determine the influence of brand positioning and price perception on the purchase decisions of consumers of instant milk. The population in this study consists of consumers aged 15 years and older who have purchased instant milik products at least thirth. Respondents were limited to a minimum age of 15 years because that age is considered sufficient to answer the questionnaire questions correctly. Since the population is broad and its exact number is unknown, the researcher used the Slovin formula to determine the sample size. With an estimated population of 100,000 and a 10% margin of error, a total sample of 100 respondents was obtained. The sampling technique used is purposive sampling, a non-probability sampling method based on specific criteria determined by the researcher.

Data in this study were obtained from primary data in the form of questionnaires distributed online and offline to respondents, and secondary data from literature and company documents. The variables studied include two independent variables: Brand Positioning (X1) and Price Perception (X2), and one dependent variable: Purchase Decision (Y). The research instrument was tested using validity and reliability tests. Data analysis was involving classical assumption tests (normality, multicollinearity, heteroscedasticity, and linearity tests), multiple linear regression analysis, and hypothesis testing using the T-test and F-test. The measurement scale used in the questionnaire was a 5-point Likert scale to measure the level of agreement from respondents on each variable indicator.

FINDINGS AND DISCUSSION

The majority of respondents in this study were female, accounting for 69%, while male consumers made up 31% as shown in the Table 1. This indicates that women are more dominant in consuming instant milk products. In terms of age, most respondents were between 20 and 25 years old, representing 60% of the sample.

Table 1. Descriptive Respondent

Gender	Frecuency	Percentage
Female	69	69%
Male	31	31%
Age	**Frecuency**	**Percentage**
15-20	7	7%
20-25	60	60%
25-30	3	3%
30-35	3	3%
>35	27	27%
Total Consumption	**Frecuency**	**Percentage**
2x	10	10%
>2x	90	90%

Table 1 shown This suggests that young people are the most active consumers of instant milk products. As they are generally in their growth phase and have higher purchasing power, this becomes a positive result, indicating effective market targeting by the company. Moreover, the age group over 35 also had a significant share, showing that the product is still widely consumed among adults. Other age groups showed lower consumption levels, meaning they are not the main consumers of this product. Most respondents (90%) admitted to having consumed the product more than twice, indicating frequent repeat purchases and good product familiarity. Meanwhile, 10% had only consumed it twice, showing limited engagement. Overall, this suggests that the respondents have sufficient knowledge and experience to provide valid responses for this research. The validity and reliability tests are shown in Table 2 and Table 3.

Table 2. Validity Test

| Variable	Statement	Pearson Cor.	r Table	Description
Purchase Decision (X1)	X1.1	0,878	0,361	VALID
	X1.2	0,891	0,361	VALID
	X1.3	0,899	0,361	VALID
	X1.4	0,889	0,361	VALID
	X1.5	0,785	0,361	VALID
Perceived Price (X2)	X2.1	0,930	0,361	VALID
	X2.2	0,932	0,361	VALID
	X2.3	0,889	0,361	VALID
	X2.4	0,931	0,361	VALID
Purchasing Decision (Y)	Y.1	0,783	0,361	VALID
	Y.2	0,780	0,361	VALID
	Y.3	0,721	0,361	VALID
	Y.4	0,851	0,361	VALID
	Y.5	0,897	0,361	VALID

Table 2 shows that the validity test results for all instruments and all variables are valid, so the questionnaire can be distributed to all respondents in accordance with the requirements. The results of the reliability test are shown in Table 3.

Table 3. Reliability Test

Variable	Cronbach's Alpha	Alpha	Description
Brand Positioning (X1)	0,942	0,60	RELIABLE
Perceived Price (X2)	0,939	0,60	RELIABLE
Purchasing Decision (Y)	0,941	0,60	RELIABLE

Based on the Table 2 and Table 3 of validity and reliability test results, it can be concluded that all statement items are valid and reliable, as they have an pearson cor. value greater than the r-table value (0.361) and a Cronbach's alpha value greater than the required alpha value.

The data from 100 respondents were tabulated and then normalized to allow for further testing, including multicollinearity, heteroscedasticity, and multiple linear regression. The normalization results are shown in Figure 1.
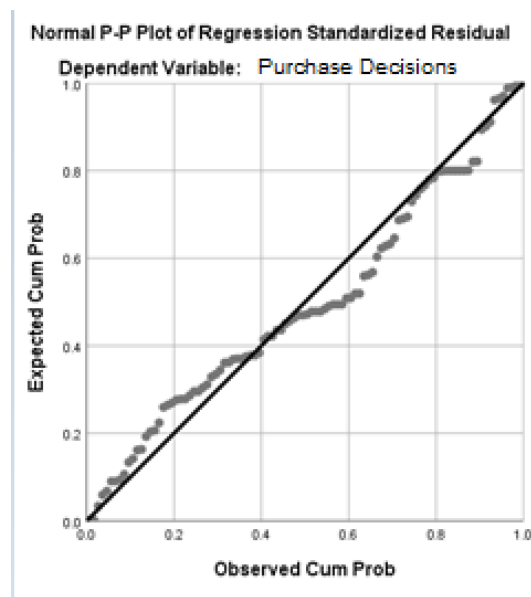
Figure 1. Normality Test P-Plot Graphic

The normality test using the Kolmogorov test is shown in Figure 2.

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One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		100
Normal Parameters[a,b]	Mean	.8555082
	Std. Deviation	27.57891999
Most Extreme Differences	Absolute	.087
	Positive	.084
	Negative	-.087
Test Statistic		.087
Asymp. Sig. (2-tailed)		.057[c]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

Figure 2. Normality Test Kolmogorov – Smirnov

Based on the Kolmogorov-Smirnov test results, it is known that the Asymp. Sig value is 0.57 ($\alpha > 0.05$). This result can be interpreted as meaning that the data or regression model used is normally distributed.

After the data is normalized, the next test is carried out, namely the multicollinearity test, the test results of which are shown in Figure 3.

Coefficients[a]								
		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	34.457	13.305		2.590	.011		
	BRAND POSITIONING	.480	.069	.532	6.979	.000	.621	1.609
	PERSEPSI HARGA	.330	.070	.362	4.746	.000	.621	1.609

a. Dependent Variable: KEPUTUSAN PEMBELIAN

Figure 3. Multicoliniearity Test

Based on the multicollinearity test results, each variable has a VIF value less than 10, indicating that there is no multicollinearity in the regression model. The results of the linearity test on brand positioning are shown in Figure 4.

ANOVA Table							
			Sum of Squares	df	Mean Square	F	Sig.
KEPUTUSAN PEMBELIAN * BRAND POSITIONING	Between Groups	(Combined)	146151.250	33	4428.826	4.219	.000
		Linearity	122550.160	1	122550.160	116.754	.000
		Deviation from Linearity	23601.090	32	737.534	.703	.862
	Within Groups		69276.540	66	1049.645		
	Total		215427.790	99			

Figure 4. Liniearity Test on Brand Positioning

Based on Figure 4 that a significance value of two variables > 0.05 indicates a linear relationship between the independent and dependent variables. The results of the linearity test based on perceived price are shown in Figure 5.

ANOVA Table

			Sum of Squares	df	Mean Square	F	Sig.
KEPUTUSAN PEMBELIAN * PERSEPSI HARGA	Between Groups	(Combined)	123802.802	18	6877.933	6.080	.000
		Linearity	102205.795	1	102205.795	90.354	.000
		Deviation from Linearity	21597.007	17	1270.412	1.123	.348
	Within Groups		91624.988	81	1131.173		
	Total		215427.790	99			

Figure 5. Liniearity Test on Perceived Price

Based on Figure 5 that a significance result of the two variables is ($\alpha > 0.05$), which indicates that there is a linear relationship between the independent and dependent variables. The results of the heteroscedasticity test are shown in Figure 6.

Coefficients^a

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	6.242	9.009		.693	.490
	BRAND POSITIONING	.016	.047	.043	.339	.735
	PERSEPSI HARGA	.048	.047	.129	1.011	.314

a. Dependent Variable: ABS_RES

Figure 6. Heterocedasticity Test

The significance values of the brand positioning and price perception variables are 0.735 and 0.314, respectively, which means that $\alpha > 0.05$, thus proving that there is no heteroscedasticity in the data.

Coefficients^a

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	34.457	13.305		2.590	.011
	BRAND POSITIONING	.480	.069	.532	6.979	.000
	PERSEPSI HARGA	.330	.070	.362	4.746	.000

a. Dependent Variable: KEPUTUSAN PEMBELIAN

Figure 7. T Test

Table 4. T test

Variable	t	t-table	Siginificant
Brand Positioning (X1)	6,979	1,98472	0,000
Perceived Price (X2)	4,745	1,98472	0,000

The T-table value in the statistical table with a significance level of 0.025 (for a two-tailed test) and degrees of freedom (df) of n – 1 is 97, resulting in a t-table value of 1.98472. Table. 4 shows the partial significance test (T-test) shows that the t-value for brand positioning is 6,979, which is greater than the t-table value of 1.98472, with a significance level of 0.000. Therefore, H01 is rejected and Ha1 is accepted, indicating that brand positioning has a significant partial effect on purchase decisions. Similarly, the t-value for price perception is 4.745, also greater than the t-table value with a significance level of 0.000, meaning H02 is rejected and Ha2 is accepted. This indicates that price perception also has a significant partial effect on purchase decisions.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	140055.515	2	70027.757	90.122	.000^b
	Residual	75372.275	97	777.034		
	Total	215427.790	99			

a. Dependent Variable: KEPUTUSAN PEMBELIAN

b. Predictors: (Constant), PERSEPSI HARGA, BRAND POSITIONING

Figure 7. F Test

The simultaneous test results show that the F calculated value is 90.122, which is greater than the F table value of 3.09, with a significance of 0.000 < 0.05. It can be concluded that the independent variables, brand positioning (X1) and price perception (X2), simultaneously have a significant effect on the dependent variable, purchase decision (Y).

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	34.457	13.305		2.590	.011
	BRAND POSITIONING	.480	.069	.532	6.979	.000
	PERSEPSI HARGA	.330	.070	.362	4.746	.000

a. Dependent Variable: KEPUTUSAN PEMBELIAN

Figure 8. Multiple Linear Regression Test Results

Based on the test results in the figure 8, the following findings were obtained:

$$Y = 34.457 + 0{,}481 X1 + 0{,}330 X2 + e$$

Y = 34.457, The constant value of 34.457 means that if the variables brand positioning and price perception are ignored, the value of the purchase decision variable remains fixed or constant at 34.457. X1 = 0,481, The coefficient of X1 or the brand positioning variable has a significant partial effect on the purchase decision (Y). This means that brand positioning has a positive coefficient direction, and X1 will increase Y by 0,481. X2 = 0,330, The coefficient of X2 or the price perception variable has a significant partial effect on the purchase decision (Y). This means that price perception has a positive coefficient direction, X2 will increase Y by 0.330.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.806^a	.650	.643	27.875

a. Predictors: (Constant), PERSEPSI HARGA, BRAND POSITIONING

b. Dependent Variable: KEPUTUSAN PEMBELIAN

Figure 9. Coefficient of Determination (R^2) Result

From the results in the Figure 9, it is known that the Adjusted R Square (R^2) value is 0.643 or 64.3%, which indicates that the influence of the brand positioning and price perception variables on the purchase decision is 64.3%, while the remaining 35.7% is influenced by other variables outside the scope of this study.

CONCLUSIONS

The research findings indicate that both brand positioning and price perception have a significant influence on the purchase decision of various flavors of UHT Purefarm milk from PT. Frisian Flag Indonesia in Central Java. Individually, brand positioning significantly affects purchase decisions, as does price perception. However, brand positioning has a more dominant effect, supported by the T-test results where the t-value for brand positioning (6.979) is higher than that of price perception (4.745). Additionally, the multiple linear regression shows a higher coefficient for brand positioning (0.481) compared to price perception (0.330).

Furthermore, both variables brand positioning and price perception simultaneously and positively influence purchase decisions, indicating a strong combined impact. The Adjusted R Square value of 64.3% shows that these two variables explain 64.3% of the variance in purchase decisions, while the remaining 35.7% is influenced by other factors outside the scope of this study. This highlights the importance of brand strategy and pricing perception in shaping consumer behavior.

LIMITATIONS & FURTHER RESEARCH

It is recommended that future researchers expand the population and use a combination of new variables that were not included in this study, in order to produce stronger and more in-depth research results. Limitations in the influence of brand positioning and price perception on instant milk purchase decisions include limited sample size and geographical scope, reliance on convenience sampling, and potential for omitted variables like promotion or product quality not fully addressed.

Further research should use larger, representative samples, explore the moderating or mediating role of other factors such as brand image or product quality, and investigate different geographical markets or specific consumer segments to provide a more comprehensive understanding.

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