

THE INFLUENCE OF PRICE PERCEPTION, PRODUCT INNOVATION, AND LOCATION ON PURCHASE DECISIONS AMONG CONSUMERS OF TEA KOTA IN LAMONGAN.

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ABSTRACT

This study aims to determine the influence of price perception, product innovation, and location on the purchase decisions of Tea Kota products in the Lamongan branch (a case study of Tea Kota consumers in Lamongan). In this research, the population was sampled using non-probability sampling techniques. The sample size was determined using Slovin's formula, resulting in 100 respondents of Tea Kota consumers in Lamongan. The data collection method involved distributing questionnaires to Tea Kota consumers in Lamongan. The data analysis techniques used included validity testing, reliability testing, classical assumption testing, multiple linear regression analysis, correlation coefficient testing, determinant coefficient testing, t-tests, and F-tests. The results indicate that price perception, product innovation, and location have a significant positive effect both partially and simultaneously on purchase decisions. Among these variables, price perception has the most dominant influence on the purchase decisions of Tea Kota products in Lamongan.

INTRODUCTION

In the rapidly evolving era of globalization, the business world is experiencing significant impacts, with increasing competition across various sectors. In this context, companies are required to showcase the distinctiveness and uniqueness of their products to compete in the market. Tea, as one of the most widely consumed beverages in the world, plays an important role in Indonesia's national economy, which is known as one of the five largest tea-producing countries.

In Indonesia, drinking tea has become part of the community tradition and can be enjoyed by all segments of society. However, consumer perceptions of tea have changed; it has transformed from an ordinary beverage into a more innovative and appealing product, especially with the emergence of

trendy tea drinks that offer a variety of flavors and modern packaging. This indicates that tea is beginning to gain popularity, particularly among teenagers and young adults.

According to Amalia & Rock (2022), price perception is one of the key elements influencing consumer purchase decisions. Research shows that consumers not only pay attention to the listed price but also to the value they perceive from the product. In this regard, a positive price perception related to tea can enhance purchase interest, as consumers tend to seek products that offer more value compared to the costs they incur.

According to Indah Jauhari (2020), product innovation is a key strategy in attracting consumer interest, especially in highly competitive markets like the tea industry. Innovation in this context includes not only the development of unique and appealing new flavors but also innovative and environmentally friendly packaging changes, as well as the launch of organic products that are increasingly favored by health-conscious consumers. Previous research has shown that appealing innovations can influence purchase decisions, as consumers tend to seek products that provide new and different experiences from those already available. Additionally, innovations that align with current consumption trends, such as the use of natural ingredients and recyclable packaging, can enhance product appeal in the eyes of consumers who are increasingly concerned about environmental issues. Therefore, it is essential to analyze the impact of product innovation on purchase decisions for Teh Kota. By understanding how various types of innovation—whether in terms of flavor, packaging, or sustainability—affect consumer preferences, producers can design more effective product development strategies. This will not only improve Teh Kota's competitiveness in the market but also strengthen consumer loyalty to the brand through attractive and relevant offerings.

According to Sinambow & Trang (2015), the location of sales plays a crucial role in the purchasing decision-making process, as it can significantly influence consumers' ease of finding and accessing products. A strategic location, such as shopping centers, traditional markets, or high-traffic areas, can enhance product visibility and make it easier for consumers to reach. When consumers can easily access places where products are available, their likelihood of making a purchase increases. Therefore, selecting the right location for sales becomes a key factor in attracting consumer attention and boosting sales. For example, placing products close to target market segments, such as students or young professionals, can maximize sales opportunities. Additionally, a location that provides a comfortable and enjoyable shopping experience, such as stores with attractive designs or areas to sample products, can increase product appeal.

Purchase decisions are influenced by various factors, including price perception, product innovation, and sales location. Each of these factors plays a different role in shaping consumer preferences and choices, making a deep understanding of the interactions between these three elements crucial for tea producers. For instance, a positive price perception can attract consumer attention, but when combined with appealing product innovations, such as new flavor variants or environmentally friendly packaging, the potential for increasing purchase interest becomes even greater (Rizky & Prabowo, 2022).

Based on the phenomena occurring and the differences in research results for each variable, this study aims to identify the factors influencing purchase decisions for tea beverage products in the case study of Teh Kota consumers in Lamongan. The researcher is interested in exploring the variables of price perception, product innovation, and location in relation to Teh Kota in Lamongan. Thus, the researcher attempts to connect these three variables to the purchase decision. The researcher is keen to present the title of the study as "The Influence of Price Perception, Product Innovation, and Location on Purchase Decisions for Teh Kota in Lamongan."

RESEARCH METHOD

This study employs a quantitative approach. The data used in this research is primary data collected through an online questionnaire distribution. The population in this study includes all consumers of Teh Kota in the Lamongan branch, with a targeted population size of approximately 200 people. In this research, the sample determination was conducted using Slovin's formula, resulting in 100 respondents. The sampling technique employed is non-probability sampling with a purposive

sampling approach. For data analysis, this study utilizes SPSS version 26, with a series of tests that include validity testing, reliability testing, multiple linear regression analysis, correlation coefficient testing, determinant coefficient testing, as well as t-tests and F-tests.

RESELTS AND DISCUSSION

The result of the data analysis

Validity testing

The validity test aims to assess the legitimacy of the questionnaire. This process is conducted using SPSS 26, and the results can be seen in the following table:

Table 1. Results of Validity Test

No.	Variable	Question Item	r count	r table	Information
1.	X1	X1-1	0.637	0.1966	Valid
		X1-2	0,761	0.1966	Valid
		X1-3	0,723	0.1966	Valid
		X1-4	0.659	0.1966	Valid
2.	X2	X2-1	0,788	0.1966	Valid
		X2-2	0,807	0.1966	Valid
		X2-3	0,711	0.1966	Valid
		X2-4	0,780	0.1966	Valid
3.	X3	X3-1	0,627	0.1966	Valid
		X3-2	0.746	0.1966	Valid
		X3-3	0,636	0.1966	Valid
		X3-4	0,747	0.1966	Valid
		X3-5	0,740	0.1966	Valid
4.	Y	Y1	0,674	0.1966	Valid
		Y2	0,801	0.1966	Valid
		Y3	0,834	0.1966	Valid
		Y4	0,804	0.1966	Valid

Based on the validity test results presented above, it can be seen that all indicators used to measure the variables in this study have a calculated r value greater than the table r value (0.1966). It can be concluded that all items in the questionnaire are valid.

Reliability Test

The reliability test is conducted to ensure that the measurement results remain consistent when repeated using the same measuring instrument. Reliability is expressed with the Cronbach's Alpha coefficient, where the minimum reliability threshold is set at 0.6.

Table 2: Results of the Reliability Test

Variable	Cronbach's Alpha	Standart Reliabilitas	Status
Price Perception	0,641	0,60	Reliabel
Product Innovation	0,643	0,60	Reliabel
Location	0,740	0,60	Reliabel

Purchase Decision	0,784	0,60	Reliabel
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Based on the results of the reliability test above, it can be seen that the Cronbach's Alpha values for the variables of price perception (X1), product innovation (X2), location (X3), and purchase decision (Y) are all greater than 0.60. This indicates that all variables are considered reliable and are suitable to be used as measurement tools.

Classical Assumption Test

Normality Test

The normality test is used to determine whether the independent variables, dependent variable, or both in a regression model have a normal distribution.

Table 3: Results of the Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		100
Normal Parameters ^{a,b}	Mean	.0450500
	Std. Deviation	1.68447747
Most Extreme Differences	Absolute	.081
	Positive	.067
	Negative	-.081
Test Statistic		.081
Asymp. Sig. (2-tailed)		.108 ^c

- a. The test distribution is normal.
- b. Calculated from the data.
- c. Lilliefors Significance Correction.

Based on the results of the analysis, the Sig. (2-tailed) value is 0.159, which means $0.159 > 0.05$. This result indicates that the data is normally distributed. Furthermore, this finding is supported by the graphical analysis, specifically the normal probability plot, as shown below:

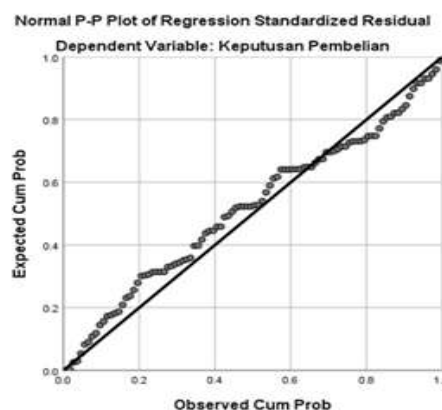


Figure 1 Results of the Normal

Based on the appearance of the normal probability plot, it can be seen that the points are close to the normal line, indicating that the residual values are normally distributed.

Multicollinearity Test

The multicollinearity test aims to examine whether there is a correlation among the independent variables in the regression model.

Table 4 Results of the Multicollinearity Test

Model	Coefficients ^a					
	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics
	B	Std. Error	Beta			
(Constant)	2.589	1.923		1.346	.181	
Persepsi Harga	.445	.102	.408	4.358	.000	.693
Inovasi Produk	.166	.090	.149	1.835	.070	.916
Lokasi	.217	.081	.255	2.683	.009	.670

a. Dependent Variable: Keputusan Pembelian

Based on the research results, it is found that the tolerance values for each independent variable are greater than 0.10 and the VIF values are less than 10. Therefore, it can be concluded that multicollinearity does not occur, and this research is deemed suitable for use.

Heteroscedasticity Test

The heteroscedasticity test is conducted to determine whether there are differences in variance and residual values among all observations in the regression model.

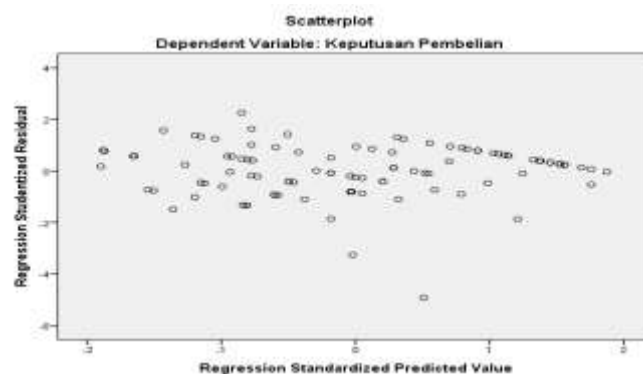


Figure 2 Results of the Heteroscedasticity Test

Based on the results above, it can be observed that the points are randomly scattered above and below zero on the Studentized Residual axis. Therefore, according to the heteroscedasticity test using graphical analysis, the regression model formed does not exhibit heteroscedasticity.

Multiple Linear Regression Analysis

Multiple linear regression analysis is used as a statistical method to examine how several independent variables affect a dependent variable (Ghozali, 2018:8).

Table 5 Results of Multiple Linear Regression Test

Coefficients^a					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1	(Constant)	3.965	1.608	2.466	.015
	Persepsi Harga	.330	.115	.302	.005
	Inovasi Produk	.209	.090	.228	.022
	Lokasi	.216	.079	.255	.008

a. Dependent Variable: Purchase Decision

Based on the analysis results, the regression equation obtained is as follows:

$$Y=3.956+0.330X_1+0.209X_2+0.216X_3+e$$

The coefficients of the independent variables show positive values, indicating a direct relationship with the dependent variable. The regression coefficient for the price perception variable, which reaches 0.330, is the highest compared to the product innovation and location variables. Therefore, it can be concluded that price perception is the most dominant factor influencing purchase decisions.

Correlation Coefficient Test

The correlation coefficient analysis is used to determine the direction and strength of the relationship between two or more variables.

Table 6 Results of Correlation Coefficient Test

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.655 ^a	.428	.411	1.683

a. Predictors: (Constant), Location, Product Innovation, Price Perception

Based on the results of the correlation coefficient test, the coefficient of correlation (R) is 0.655, which falls within the interval of 0.600-0.799. This indicates a strong relationship between the variables of price perception, product innovation, and location in relation to purchase decisions.

Determination Coefficient Test

The results of the determination coefficient test show an R Square value of 0.713, meaning that live streaming selling (X1), free shipping (X2), and online customer reviews (X3) influence purchase interest (Y) by 71.3%. Meanwhile, the remaining 28.7% is influenced by other factors outside the scope of this study.

Partial Test (t-test)

The t-test is used to analyze the extent to which each independent variable affects the dependent variable in a study (Ghozali, 2018:179).

Table 7 Results of the t-Test
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
(Constant)	3.965	1.608		2.466	.015
Persepsi Harga	.330	.115	.302	2.858	.005
Inovasi Produk	.209	.090	.228	2.322	.022
Lokasi	.216	.079	.255	2.722	.008

a. Dependent Variable: Purchase Decision

1. Price Perception (X1)

From the table above, the t-test results show a t-statistic of 2.858 and a t-table value of 1.985, with a significance value of 0.005. It can be concluded that $2.858 > 1.985$ and $0.005 < 0.05$, thus H_0 is accepted and H_a is rejected. This indicates a significant partial effect of price perception on the purchase decision.

2. Product Innovation (X2)

From the table above, the t-test results show a t-statistic of 2.322 and a t-table value of 1.985, with a significance value of 0.022. It can be concluded that $2.322 > 1.985$ and $0.022 < 0.05$, thus H_0 is rejected and H_a is accepted. This indicates a significant partial effect of product innovation on the purchase decision.

3. Location (X3)

From the table above, the t-test results show a t-statistic of 2.722 and a t-table value of 1.985, with a significance value of 0.008. It can be concluded that $2.722 > 1.985$ and $0.008 < 0.05$, thus H_0 is rejected and H_a is accepted. This indicates a significant partial effect of location on the purchase decision.

Simultaneous Test (F-test)

Table 8: Results of the F-Test

ANOVA ^a					
Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	198.396	3	66.132	22.870	.000 ^b
Residual	277.604	96	2.892		
Total	476.000	99			

a. Dependent Variable: Purchase Decision

b. Predictors: (Constant), Location, Product Innovation, Price Perception

Based on the results of the F test, the calculated F value is 22.870 with a significance level of 0.000. The F table value is 2.70, leading to the conclusion that $F_{\text{calculated}} > F_{\text{table}}$ ($22.870 > 2.70$) and the significance level of the study is $0.000 < 0.05$. Therefore, H_0 is rejected and H_a is accepted. From these results, it can be concluded that price perception, product quality, and service quality have a positive and significant simultaneous effect on purchasing decisions. Tea kota Lamonga

DISCUSSION

The Effect of Price Perception on Purchasing Decisions

Based on the research results, the price perception variable has a partial effect on purchase decisions. This is evidenced by the t-test, where the calculated t_{hitung} value of 2.858 is greater than the t_{tabel} value of 1.985, with a significance value of 0.005, which is less than 0.05. These findings align with the research conducted by Virelia Zaky Yunianty (2023), which also shows a significant effect of price perception on purchase decisions. Price perception contributes positively to purchasing decisions because Teh Kota branch in Lamongan implements a pricing strategy that balances price and product quality. Customers feel that the prices they pay correspond to the value and quality they receive, leading to their loyalty and a tendency not to switch to competitors. Therefore, it is important for every business to pay attention to appropriate pricing strategies to compete effectively in the market.

The Effect of Product Innovation on Purchasing Decisions

Based on the research findings, the product innovation variable has been shown to significantly influence purchasing decisions. This is supported by the t-test results, which indicate a t-value of 2.322, greater than the t-table value of 1.985, and a significance value (sig.) of 0.022, which is less than 0.05. Thus, it can be concluded that product innovation does indeed impact consumer purchasing decisions. These results align with the study conducted by Glorya Priscilla Main (2022), which also demonstrated that product innovation significantly affects purchasing decisions. The continuous innovation efforts by Teh Kota in the Lamongan branch consistently present interesting and relevant products, providing satisfaction and added value for customers. Customers feel they are receiving something new and beneficial, which encourages their loyalty and prevents them from switching to other products. Therefore, product innovation is considered a key element in entrepreneurial activities. Every business should focus on developing innovations to compete effectively in the market.

The Effect of Location on Purchasing Decisions

The research findings indicate that the location variable has a partial effect on purchasing decisions. The t-test results show a t-value of 2.722, which is greater than the t-table value of 1.985, and a significance level of 0.008, which is less than 0.05. This indicates that location significantly influences purchasing decisions, aligning with studies by Abd Halim (2023) and Nur Fitri (2023). The strategic location of the Teh Kota branch in Lamongan facilitates access for customers, making them feel comfortable and more likely to visit easily accessible places. This positively impacts purchasing likelihood and highlights the importance of considering the right location for effective market competition. Therefore, every business should focus on selecting a strategic location to attract customers and increase sales.

The Influence of Price Perception, Product Innovation, and Location on Purchasing Decisions

The research findings indicate that, the variables of price perception, product innovation, and location have a simultaneous effect on purchasing decisions. This is evidenced by the F-test results, which show an F-value of 22.870 > F-table value of 2.70 and a significance level of 0.000 < 0.05. Therefore, it can be concluded that these three variables positively and significantly influence purchasing decisions, consistent with studies by Ratna Ekasari and Aprilia Putri (2021), Dian Ariyani Hidayah and Edy Suryawardana (2019), and Jason Osgard et al. (2021). The better the price perception, product innovation, and strategic location, the more consumers are attracted to Teh Kota Lamongan. Thus, the owner of Teh Kota Lamongan needs to pay attention to these three aspects. If customers find the prices reasonable, the products innovative, and the location easily accessible, they

are more likely to make a purchase. Additionally, products that meet their expectations and good service from employees can enhance customer satisfaction and loyalty.

CONCLUSION

Based on the research findings and discussions outlined previously, the following conclusions can be drawn (1) According to the t-test results, price perception, product innovation, and location have a positive and significant effect on purchasing decisions among consumers of Teh Kota in Lamongan branch. The t-test results show that $t\text{-count} > t\text{-table}$, specifically for the price perception variable (X1) with $t\text{-count} (2.858) > t\text{-table} (1.985)$, the product innovation variable (X2) with $t\text{-count} (2.322) > t\text{-table} (1.985)$, and the location variable (X3) with $t\text{-count} (2.722) > t\text{-table} (1.985)$. This proves that all three variables have a positive and significant effect on purchasing decisions. (2) Price perception, product innovation, and location have a positive and significant effect simultaneously on purchasing decisions. This is evidenced by the F-test results showing $F\text{-count} (22.870) > F\text{-table} (2.70)$. (3) The price perception variable (X1) has the most dominant influence on purchasing decisions among consumers of Teh Kota in Lamongan branch, as indicated by the multiple linear regression analysis, which shows that the coefficient value for the price perception variable is higher than those for the product innovation (X2) and location (X3) variables.

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