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Effects of Product Pricing, Product Packaging, and Place on Consumer Buying Behavior through Customer Satisfaction

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Abstract. This study aims to analyze the effect of product pricing and product packaging on consumer buying behavior through customer satisfaction. This research was carried out by distributing questionnaires via Google Form to 125 respondents who are Mixue consumers in the Jakarta metropolitan area, at least 17 years old, have made at least 2 product purchases in the last six months, and know Mixue products and prices. This study used a quantitative approach by collecting data through surveys and purposive sampling. The data obtained was processed via SEM with SmartPls software. This research finds that product pricing significantly affects consumer buying behavior (p-value 0.0). Product packaging also directly and significantly influences consumer buying behavior (p-value 0.0). The place also directly and significantly influences consumer buying behavior (p-value 0.033). Customer satisfaction also directly and significantly influences consumer buying behavior (p-value 0.0). Product pricing positively and significantly influences consumer buying behavior through customer satisfaction. Product packaging positively and significantly influences consumer buying behavior through customer satisfaction (p-value 0.030). The place also positively and significantly influences consumer buying behavior through customer satisfaction (p-value 0.040).

Keywords. Product Pricing, Product Packaging, Place, Consumer Buying Behavior, Customer Satisfaction

1. Introduction

The food and beverage industry is one of the industries that can adapt well to change. This industry is inseparable from the fact that food and beverages have been human biological needs since birth. Industry players in the food and beverage sector continuously make changes by introducing something new or by responding to the needs of society. Globalization has also contributed to the development of the food and beverage industry, offering a more comprehensive range of options for the general public (Black, 2016). This condition, of course, presents a significant opportunity to be utilized with constant demand. Indonesia's food and beverage industry is filled with domestic and foreign players. Their presence demonstrates substantial potential, especially considering Indonesia's large population. However, according to Roesfitawati (2020), there are several challenges in Indonesia's food and beverage industry. The first challenge is the requirements to enter the market related to regulations such as food safety, market access, production sustainability, and delivery times. The second challenge is the...
need for more adoption of innovative production methods with technology and supply chain processes among businesses in Indonesia.

The growth of the food and beverage industry in Indonesia is supported by increasing personal incomes, higher expenditures on food and beverages, and a growing number of middle-class consumers (Sari, 2022). The government has shown significant interest in the food and beverage industry, recognizing it as one of Indonesia's top five priority sectors in the face of the Industry 4.0 era (Kemenperin, 2018). The increasing connectivity of society through the internet has further boosted the economy. The government's commitment is expected to positively impact the food and beverage industry, unlocking the potential of the digital economy. This progress will help improve the overall quality and quantity of the industry.

Given the size of Indonesia’s food and beverage industry, businesses need to implement sustainable strategies for their development actively. According to Duong et al. (2021), understanding consumer buying behavior in the food and beverage industry can help businesses formulate sustainable strategies. Analyzing consumer buying behavior involves considering the impact of product pricing, packaging, and place (Zhou et al., 2021; Sholihuddin et al., 2020). According to Chukwu and Tom (2020), food and beverage companies should implement responsible product pricing to attract consumers. Spence and Van Doorn (2022) argue that product packaging in the food and beverage industry communicates with consumers, enhances the product experience, and catches consumers' attention on the shelf or online. Peter & Olson (1990) found that a good location can provide quick access, attract consumers, and change buying patterns. Kencana (2018) discovered that pricing and product quality significantly impact customer satisfaction in a fast-food chain, and the same applies in reverse.

The enduring popularity of the food and beverage industry over time demonstrates a unique satisfaction for consumers in consuming these products. Food and beverage products that stand the test of time show their ability to evolve and be enjoyed by a broad audience. This situation is evident in products like ice cream and tea, which have been around for a long time with various variations (Marks, 2020). According to research by William & Marshall Strategy (2021), the transaction value of ice cream in Indonesia has continued to increase from 2015 to 2019, with a Compound Annual Growth Rate (CAGR) of 15.97%. The potential for ice cream in Indonesia is still significant as it is expected to grow at over 5%, and by 2025, its transaction value will reach $865 million. Another research by William & Marshall Strategy (2021) projects that the CAGR of tea growth in Indonesia from 2020 to 2025 will decrease to 8.32%. The potential for tea in Indonesia is still substantial as it is expected to grow at over 5%, and by 2025, its transaction value will reach $5,570 million. Businesses can see this as a tremendous opportunity, especially in tropical countries like Indonesia, suitable for refreshing food and beverages.

One of the brands that sells tea and ice cream is Mixue. Mixue is a Chinese company selling ice cream and tea since 1997. Zhang Hangcou, the founder of Mixue, set a mission to "bring high-quality and affordable products to everyone worldwide." Many factors make consumers choose Mixue products over other brands, such as attractive packaging, smooth product texture, various flavors, and affordable prices (Saleh, 2022). Mixue operates 21,582 stores, making it the brand with the most outlets in China and the fifth-largest in the world. However, the entry of competitors with lower prices can disrupt Mixue's market dominance.

Additionally, the rapid opening of Mixue stores in Indonesia may pose challenges related to inconsistent standards at each store, potentially leading to reduced customer satisfaction. This fact is evident in Table 1, which shows significant differences in Google reviews among Mixue outlets in the Jakarta metropolitan area. Reviews with low customer
satisfaction mention product quality and poor service by employees, while reviews with high customer satisfaction highlight the quality and taste of the products (Google Review, 2023).

Table 1 Comparison of Ratings and Number of Google Reviews for Mixue Outlets

<table>
<thead>
<tr>
<th>Mixue Outlets</th>
<th>Ratings</th>
<th>Number of Reviewers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rawamangun</td>
<td>4.7</td>
<td>547</td>
</tr>
<tr>
<td>Bendungan Hilir</td>
<td>4.1</td>
<td>252</td>
</tr>
<tr>
<td>Muara Karang</td>
<td>4.8</td>
<td>158</td>
</tr>
<tr>
<td>Klender</td>
<td>4.1</td>
<td>369</td>
</tr>
</tbody>
</table>

Source: Google Review (2023)

According to BPS (2022), the Jakarta metropolitan area is an area in Indonesia with a total area of 6,437.89 km2, which is approximately only 0.34% of Indonesia's total land area. However, the population of the Jakarta metropolitan area is recorded at 29,116,662 people, accounting for about 11% of Indonesia's population. The selection of Mixue as the company with the most food and beverage outlets in Asia has advantages in terms of price, packaging, and location, especially for ice cream products that are popular among the Jakarta metropolitan area population. Understanding Mixue's consumers in the Jakarta metropolitan area can provide a deep insight into consumer buying behavior and customer satisfaction with significant influence.

The described conditions indicate that Mixue needs to understand consumer buying behavior more deeply to formulate appropriate strategies for enhancing customer satisfaction. Mixue itself plays a significant role as Asia's largest food and beverage franchise with the highest number of outlets. The research's objective is based on the existing background to analyze the impact of product pricing, product packaging, and location on consumer buying behavior through customer satisfaction, using a study conducted on Mixue consumers in the Jakarta metropolitan area.

2. Literature Review

According to Riggs (2008), product pricing is the process of determining and setting prices for goods and services. According to the Oxford Manpower Dictionary (2002), product pricing determines the amount required as payment for something offered for sale. The application of product pricing in a company can assist the company in achieving its goals in line with the existing target market. According to Chukwu and Tom (2020), companies in the food and beverage industry should implement responsible product pricing to attract consumers. Zhou et al. (2021) argue that product pricing is the only aspect that directly affects revenue and indicates the success or failure of a product or service.

Product packaging is an activity in product planning that involves designing and creating containers or packaging for a product (Stanton, 1984). According to Kotler & Keller (2011), product packaging is an activity that relates to production, economics, convenience, and promotion. According to Spence & Van Doorn (2022), the role of product packaging in the food and beverage industry is to communicate with consumers, enhance the product experience, and capture consumers' attention on the shelf or in online product displays. This situation can build brand image, value, product quality, and innovation. Packaging plays a crucial role in the
marketing mix by providing a distinctive appearance compared to other products, and the packaging communicates with consumers. Zhou et al. (2021) suggest that product packaging will become a valuable networking tool for the target consumers.

Place is the activity carried out by a company to make products/services available to the target market (Zeithaml & Bitner, 2000). According to Harrington et al. (2017), a place is where products or services are sold or distributed to consumers. Place influences strategic marketing dimensions such as flexibility, competitive positioning, demand management, and strategic focus (Fitzsimmons & Fitzsimmons, 1994). Peter & Olson (1990) found that a good location can provide quick access, attract consumers, and change buying patterns. According to Sitorus et al. (2023), beverage companies should consider the selection of store locations to ensure accessibility and convenience for customers.

Consumer buying behavior studies how individuals, groups, and organizations buy and consume goods, services, ideas, or experiences to satisfy their needs and wants (Kotler & Keller, 2011). According to Schiffman and Kanuk (2007), consumer buying behavior is the behavior consumers exhibit in seeking, purchasing, using, evaluating, and disposing of products and services they expect to satisfy their needs. Duong et al. (2021) argue that understanding consumer buying behavior in the food and beverage industry can help businesses formulate sustainable business strategies. Zhou et al. (2021) argue that the primary goal of marketing is to understand how customer perceptions influence and the differences in customer backgrounds.

Customer satisfaction is the number and percentage of total customers whose experiences with a company regarding products or services exceed their specified satisfaction (Farris et al., 2010). According to Fornell et al. (1996), customer satisfaction is an overall evaluation based on the total buying and consumption experience with a product or service over time. Zhou et al. (2021) suggest that customer satisfaction can be assessed by collecting feedback from customers who have purchased products or services, and this feedback is compared to the customers' initial expectations. Satisfied customers believe that the product or service is worth buying, encouraging them to repurchase it. Kencana (2018) found that pricing and good product quality in one fast-food outlet further increased customer satisfaction, and the reverse also applies.

3. Hypothesis

Based on the previous explanation and supporting theories, the following are hypotheses that can be drawn:

H1: Product pricing significantly affects consumer buying behavior among Mixue consumers in the Jakarta metropolitan area.

H2: Product packaging significantly affects consumer buying behavior among Mixue consumers in the Jakarta metropolitan area.

H3: Place significantly affects consumer buying behavior among Mixue consumers in the Jakarta metropolitan area.

H4: Customer satisfaction significantly affects consumer buying behavior among Mixue consumers in the Jakarta metropolitan area.

H5: Product pricing significantly affects consumer buying behavior through customer satisfaction among Mixue consumers in the Jakarta metropolitan area.

H6: Product pricing significantly affects consumer buying behavior through customer satisfaction among Mixue consumers in the Jakarta metropolitan area.
H7: Place significantly affects consumer buying behavior through customer satisfaction for Mixue consumers in the Jakarta metropolitan area.

**Figure 1 Research Hypothesis Framework**

Source: Processed by the author (2023)

4. Methodology

The research was conducted using a quantitative approach with an exploratory purpose, a cross-sectional time dimension, and data collection through quantitative techniques. Data was collected by distributing purposive samples based on the researcher's judgment regarding the most representative, using a Google Form instrument distributed through social media (Babbie, 2014). The research also utilized secondary data to complement and support primary data through literature reviews.

The research population consisted of Mixue consumers in the Jakarta metropolitan area. Ferdinand (2014) stated that the minimum sample size for using SEM is five times the total number of indicators. Based on this, the sample size to be used in this study is 5x25, which is 125 respondents. Respondents eligible to be sampled are Mixue consumers in the Jakarta metropolitan area, aged at least 17 years old, having made at least 2 product purchases in the last six months, and being familiar with Mixue products and prices.

The research used a measurement scale with the Neuman formula (2014), a Likert scale ranging from 1-5. The validity test results were conducted using the KMO test, Bartlett Test, and Anti-Image, which showed valid results for all variables, making them suitable for use. Then, the reliability test using Cronbach Alpha and Composite Reliability produced reliable results for all dimensions. After passing these tests, the data from 125 respondents were analyzed using the SEM PLS method with SMARTPLS. In this phase, Variance of Endogenous Variables, Structural Model Significance with Bootstrapping, Indirect Effects, and Hypotheses of Latent Variables were tested to analyze the existing hypotheses.

5. Results and discussion

Based on the profile of the 125 respondents, most were male, with 65 respondents (52.0%). Most respondents were in the 17-22 age group, totaling 67 (53.6%), followed by the
23-28 age group with 27 respondents (21.6%). Most respondents were students, with 64 (51.2%), followed by private employees, with 36 (28.8%). Most respondents had monthly expenses ranging from 500,000 to 1,500,000, totaling 30 (24.0%), and expenses from 1,500,001 to 2,500,000, totaling 22 (17.6%). Regarding monthly spending on Mixue products, most respondents spent less than 50,000, with 69 (55.2%), and the fewest spent between 250,000 to 500,000, with 3 (2.4%). Regarding the Mixue product category purchased, most chose fresh ice cream, with 95 (76%), and the fewest chose original tea, with 36 (28.8%). Based on the number of Mixue product transactions in the last six months, most respondents conducted 3-5 transactions, with 63 (50.4%), and the fewest conducted more than nine transactions, with 19 (15.2%). Finally, most respondents chose Jakarta as the branch where they purchased Mixue products, with 34 (27.2%), and the fewest chose Tangerang, with 18 (14.4%).

<table>
<thead>
<tr>
<th>Table 2 Mean Value Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
</tr>
<tr>
<td>----</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

|    | PRPA1       | 3.08 | Middle      |
|    | PRPA2       | 3.83 | High        |
|    | PRPA3       | 3.47 | High        |
|    | PRPA4       | 3.92 | High        |
|    | PRPA5       | 4.05 | High        |
|    | PRPA6       | 4.25 | Very High   |
|    | Total Product Packaging | 3.76 | High        |

|    | PL1         | 3.68 | High        |
|    | PL2         | 4.23 | Very High   |
|    | PL3         | 4.32 | Very High   |
|    | PL4         | 3.67 | High        |
|    | Total Place | 3.97 | High        |

|    | CBB1        | 3.78 | High        |
|    | CBB2        | 3.96 | High        |
|    | CBB3        | 4.03 | High        |
|    | CBB4        | 3.08 | Middle      |
|    | CBB5        | 3.60 | High        |
|    | Total Consumer Buying Behavior | 3.69 | High        |

|    | CS1         | 4.24 | Very High   |
|    | CS2         | 4.01 | High        |
|    | CS3         | 4.12 | High        |
|    | CS4         | 4.16 | High        |
|    | CS5         | 4.04 | High        |
Based on the data in Table 1, it can be seen that the highest mean total value is found in the product pricing variable, reaching 4.22, which falls into the "Very High" category. The indicator with the highest mean value in this variable is the third indicator, which states, "The price that I pay for Mixue is proportional to the quality of the product," with a mean value of 4.32.

The table also shows that the consumer buying behavior variable has the lowest mean of 3.69, which means it falls into the "High" category. The indicator with the lowest mean value in this variable is the fourth indicator, which states, "I usually consult with my relatives before purchasing Mixue products," with a mean value of 3.08.

The table also indicates that the indicator with the highest mean is found in the third indicator of the "place" variable, which states, "Mixue has a strategic location." It also has a mean value of 4.32, placing it in the "Very High" category. This indicator needs to be maintained by Mixue to ensure the continued opening of outlets in strategic locations in the future, as it has become a value that Mixue possesses.

The indicator with the lowest mean is held by the first indicator of the "product packaging" variable, which states, "The color of Mixue product packaging affects my purchase," and it also has a mean value of 3.08, placing it in the "Medium" category. Mixue can conduct research and surveys on product packaging done by competitors and can be well-received by the public.

<table>
<thead>
<tr>
<th>Code</th>
<th>Relationship Between Variables</th>
<th>Original sample</th>
<th>T statistics</th>
<th>P values</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Product Pricing -&gt; Customer Satisfaction</td>
<td>0.311</td>
<td>6.121</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>H2</td>
<td>Product Packaging -&gt; Customer Satisfaction</td>
<td>0.606</td>
<td>9.481</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>H3</td>
<td>Place -&gt; Customer Satisfaction</td>
<td>0.292</td>
<td>3.531</td>
<td>0.033</td>
<td>Accepted</td>
</tr>
<tr>
<td>H4</td>
<td>Consumer Buying Behavior -&gt; Customer Satisfaction</td>
<td>0.774</td>
<td>13.852</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>H5</td>
<td>Product Pricing -&gt; Customer Behavior</td>
<td>0.431</td>
<td>9.209</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>H6</td>
<td>Product Packaging -&gt; Customer Behavior</td>
<td>0.622</td>
<td>11.103</td>
<td>0.030</td>
<td>Accepted</td>
</tr>
<tr>
<td>H7</td>
<td>Place -&gt; Customer Satisfaction -&gt; Consumer Buying Behavior</td>
<td>0.355</td>
<td>4.967</td>
<td>0.040</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Source: Processed by the author (2023)
Based on Table 3, product pricing significantly and positively influences consumer buying behavior. This data is also supported by the findings of Zhou et al. (2021), who argue that a positive correlation exists between product pricing and consumer buying behavior. According to Chukwu and Tom (2020), companies in the food and beverage industry should implement responsible product pricing to attract consumers. This condition aligns with Mixue's mission of "bringing high-quality and affordable products to everyone worldwide," demonstrating Mixue's commitment to offering quality products at competitive prices. The results of this research can serve as a reference for Mixue in formulating strategies related to consumer buying behavior, particularly in emphasizing the value of Mixue's product pricing and quality.

Product packaging also has a significant and positive influence on consumer buying behavior. This result is supported by Sadiq et al. (2020), who found that product packaging significantly impacts consumers in determining which products to purchase. It is also consistent with the findings of Zhou et al. (2021), which suggest a positive correlation between product packaging and consumer buying behavior. Mixue can use this discovery to create product packaging that meets the applicable standards, in line with the highest-scoring indicator in the product packaging variable. This standard can be achieved through regular evaluation and user feedback regarding appropriate product packaging through consumer communication.

The findings show that place has a significant favorable influence on consumer buying behavior. This discovery is supported by Sholihuddin et al. (2020), who found that place significantly impacts the buying decision variable that affects consumers in determining which products to purchase. Peter & Olson (1990) found that a good place can provide quick access, attract consumers, and change purchasing patterns. The results of this research on this hypothesis have the lowest t-statistics value of 3.531 and a p-value of 0.033, which is close to the maximum threshold of 0.05. These findings can serve as an evaluation reference for Mixue's successful establishment of outlets in strategic locations and its direct impact on consumer buying behavior.

Customer satisfaction has a significant favorable influence on consumer buying behavior. This finding is supported by Zechmeister et al. (1997), who found that customer satisfaction is essential in measuring the relationship between consumer value and willingness to spend money. It is also supported by the findings of Zhou et al. (2021) and Qalati et al. (2019), who suggest a positive correlation between customer satisfaction and consumer buying behavior. Based on the results of this research, this hypothesis has the highest t-statistics value of 13.852 and a p-value of 0.0, making it a significant consideration for Mixue in the future. This finding can serve as the basis for Mixue to understand better the impact of consumer buying behavior on customer satisfaction, helping Mixue's long-term business with in-depth consumer understanding.

The research results demonstrate a mediating effect of customer satisfaction on the relationship between product pricing and consumer buying behavior. This fact is also supported by the findings of Zhou et al. (2021) and Qalati et al. (2019), who suggest a positive correlation between customer satisfaction and consumer buying behavior with customer satisfaction as a mediator. This finding also aligns with Kencana's (2018) observation, which found that good pricing decisions increase customer satisfaction and vice versa. This discovery will help Mixue enhance customer satisfaction by implementing appropriate pricing strategies supported by a deep understanding of Mixue's consumer buying behavior.

There is also a mediating effect of customer satisfaction on the relationship between product packaging and consumer buying behavior. Zhou et al. (2021) also suggest a positive
correlation between product packaging and consumer buying behavior, with customer satisfaction as a mediator, further strengthening the influence of product packaging in studying consumer buying behavior, leading to increased customer satisfaction. This result is also supported by Kencana (2018), who found that good product quality increases customer satisfaction and vice versa. This finding can help Mixue focus on the quality of product packaging as an influence on consumer buying behavior through customer satisfaction.

The research results demonstrate a mediating effect of customer satisfaction on the relationship between place and consumer buying behavior. This finding is supported by Sutrisno & Tanjung (2022), who found a positive correlation between place and customer satisfaction. Sholihuddin et al. (2020) suggest a positive correlation between place and consumer satisfaction through buying decisions. Based on the results of this research, this hypothesis has the lowest p-value of 0.040 and a t-statistics value of 4.967. This research finding shows a significant favorable influence of place on consumer buying behavior through customer satisfaction. Mixue's management can conduct further evaluations and surveys on the impact of the place.

6. Conclusion
Following the research objectives stated in the previous chapter, which aimed to analyze the influence of product pricing on consumer buying behavior, product packaging on consumer buying behavior, place on consumer buying behavior, customer satisfaction on consumer buying behavior, product pricing on consumer buying behavior through customer satisfaction, product packaging on consumer buying behavior through customer satisfaction, and place on consumer buying behavior through customer satisfaction among Mixue consumers in the Jakarta metropolitan area, who meet the criteria of residing in Jakarta metropolitan area, being aged ≥17 years, having made at least 2 Mixue purchases in the last six months, and being familiar with Mixue products and prices. The following are the conclusions drawn from the study conducted on 125 respondents:

1. There is an influence of product pricing on consumer buying behavior.
2. There is an influence of product packaging on consumer buying behavior.
3. There is an influence of place on consumer buying behavior.
4. There is an influence of customer satisfaction on consumer buying behavior.
5. There is an influence of product pricing on consumer buying behavior through customer satisfaction.
6. There is an influence of product packaging on consumer buying behavior through customer satisfaction.
7. There is an influence of place on consumer buying behavior through customer satisfaction.

7. Recommendations
The research results provide several recommendations for Mixue:
1. Mixue is encouraged to understand the consumer buying behavior of Mixue consumers as a consideration in formulating company strategies to increase sales.
2. Mixue must evaluate its standardized parking facility strategy to ensure easy access for consumers at all Mixue branches.
3. Mixue should continue to maintain its product pricing aspect, which is a strength that influences the consumer buying behavior of Mixue consumers.
4. Mixue can offer sales packages and discounts during relevant human relationship celebrations to attract more customers.

5. Mixue can innovate with new products of good quality and competitive prices, encouraging consumers to increase their monthly spending on Mixue and diversify the range of Mixue products purchased.

6. From an academic perspective, future research should use more diverse and extensive samples to obtain a more comprehensive overview of the research subject.

7. Future research can consider adding the "promotion" variable to the marketing mix theory.

8. Another researcher can also analyze these variables' relationships in different industries.

References