



A STUDY OF HERBAL DRINK PURCHASE DECISION IN INDONESIA

UNDERGRADUATE THESIS

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By:

Ine Innasya Rabbiah Adawiah

015201900058

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TABLE OF CONTENTS

PANEL OF EXAMINERS APPROVAL SHEET.....	ii
ADVISOR’S APPROVAL FOR JOURNAL/ INSTITUTIONS’S REPORSITOR..	iii
SCIENTIFIC PUBLICATION APPROVAL FOR ACADEMIC INTEREST	iv
STATEMENT OF ORIGINALITY	v
CONSENT FOR INTELLECTUAL PROPERTY RIGHT	vi
PLAGIARSM REPORT	viii
GPTZERO RESULT	ix
ACKNOWLEDGEMENT... ..	x
TABLE OF CONTENTS	xii
LIST OF TABLES... ..	xv
LIST OF FIGURES.....	xvi
ABSTRACT... ..	xvii
CHAPTER I INTRODUCTION	1
1.1 Research Background.....	1
1.2 Problem Statement	2
1.3 Research Questions	5
1.4 Outline of the Research... ..	5
CHAPTER II LITERATURE REVIEW... ..	6

2.1 Social Media Marketing.....	6
2.2 Product Quality	7
2.3 Price	7
2.4 Packaging.....	8
2.5 Halal Certification	9
2.6 Purchase Decision... ..	10
2.2 Relationship Among Variables... ..	10
2.3 Theoretical Framework... ..	12
2.4 Research Gap	13
CHAPTER III METHODOLOGY	14
3.1 Research Design... ..	14
3.2 Sampling Plan... ..	15
3.3 Instrument Design/ Operation Definition of Variables.....	16
3.4 Data Collection Design... ..	17
3.5 Data Analysis Design... ..	17
3.5.1 Respondent's Profile	17
3.5.2 Descriptive Analysis	17
3.5.3 Normality	18
3.5.4 Common Method Bias... ..	18

3.5.5 Structural Equation Modeling (SEM) Analysis...	19
3.5.6 Construct Reliability and Construct Validity test	20
3.5.7 Hypothesis Testing and Coefficient of Determination (R ²)	21
3.5.8 R-squared... ..	22
CHAPTER IV ANALYSIS AND DISCUSSION OF FINDINGS.....	23
4.1 Respondent's profile... ..	23
4.1.1 Respondents Profile	23
4.2 Descriptive analysis... ..	24
1. Social Media Marketing.....	24
2. Product Quality	24
3. Price... ..	24
4. Packaging.....	25
5. Halal Certification.....	25
6. Purchase decision... ..	26
4.3 Normality.....	27
4.4 Common Method Bias	27
4.5 Confirmatory Factor Analysis (CFA)	27
4.5.1. Goodness of Fit	27
4.5.2 Construct Validity	28

4.5.3 Construct Reliability	29
4.6 Structural model	29
4.7 Hypothesis testing.....	30
4.8 R-Square... ..	30
4.9 Discussion... ..	31
CHAPTER V CONCLUSIONS AND RECOMMENDATION.....	34
5.1 Conclusion... ..	34
5.2 Theoretical Implication	35
5.2.1 Theoretical Implication.....	35
5.2.2 Managerial Implication... ..	35
5.3 Limitation and future research... ..	36
References.....	38

LIST OF TABLES

Table 1. 1 Herbal Drink Sells in Indonesia (Susanty, 2020).....	51
Table 1. 2 Consumption Data (Widayanti et al., 2022)	51
Table 2. 1 Research Gap	51
Table 3. 1 Data Collection Design... ..	54
Table 3. 2 Seven Points Likert Scale Mean Value Category	59
Table 3. 3 The Model Suitability Measurement.....	58
Table 3. 4 criteria correlation between variables adapted from (Yunita, 2019)...60	
Table 4. 1 Respondent Profile	60
Table 4. 2 Social Media Marketing.....	61
Table 4. 3 Product Quality Descriptive Analysis	62
Table 4. 4 Price Descriptive Analysis	62
Table 4. 5 Packaging Descriptive Analysis.....	62
Table 4. 6 Halal Certification Descriptive Analysis	63
Table 4. 7 Purchase Decision Descriptive Analysis.....	63
Table 4. 8 Normality	64
Table 4. 9 Common Method Bias... ..	64
Table 4. 10 Goodness of Fit	65
Table 4. 11 Standardized Regression Weights.....	65
Table 4. 12 Construct Reliability and Validity	67
Table 4. 13 Discriminant Validity.....	67
Table 4. 14 Hypothesis Testing.....	68
Table 4. 15 R-Square.....	68

LIST OF FIGURES

Figure 2. 1 Theoretical Framework.....	70
Figure 4. 2 Goodness of Fit.....	70
Figure 4. 3 Hypothesis Testing.....	70

ABSTRACT

Purpose – Herbal drink is an Indonesian heritage culture with a focus on a healthy way of living. Herbal drinks have a long history of being used for people's medical treatment and are based in local medicinal planting customs. This study aims to determine the effect of social media marketing, product quality, price, packaging, and halal certification on the purchasing decision of MSME's Karawang herbal drink (Raturatus, jamu annur, curcumaclara, jamu bekti, sinok, and anakmama) in Indonesia as an herbal drink traded in the Indonesian market in the era of post-COVID 2019.

Design/methodology/approach - This study used a quantitative method and distributed questionnaires via Google Forms. Targeting herbal drink customers at MSME's Karawang (Raturatus, Jamu annur, Jamu bekti, Sinok, Curcumaclara, and Anakmama) who have made purchases in the last six months. Respondents were selected in Indonesia, and a total of 300 people participated in this survey using purposive sampling. Data analysis used a structural equation model (SEM) through AMOSS SPSS 24 and Smart SPSS.

Findings – The findings revealed that the factors influencing a purchase decision for herbal drinks are product quality, price, packaging, and halal certification. However, social media marketing did not influence purchase decisions.

Practical implications -Awareness of herbal drink consumption is still low in Indonesia. Therefore, it is important to understand purchasing decisions regarding herbal drinks. The findings of this study can be used to develop a strategy to attract more herbal drink consumption for MSME's Karawang (Raturatus, jamu annur, Curcumaclara, jamu bekti, and sinok) and survive in a competitive industry.

Originality/value – This study is the first to combine social media marketing, product quality, price, packaging and halal certification to increase the decision to buy herbal drinks in Indonesia.

Keywords: Social media marketing, product quality, price, packaging, halal certification, and purchase decision.