

THE FACTORS INFLUENCING THE PURCHASE INTENTION OF COCONUT SUGAR TOWARDS PRODUCT QUALITY, PRICE, AND PACKAGING IN UAE MARKET

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ABSTRACT

This research aims to analyze and test the factors influencing the purchase intention of coconut sugar towards product quality, price, and packaging in UAE market. The study is carried out by using quantitative method approach with causal type of research. Technique of data collection in this study uses questionnaires with non-probabilistic sampling method which the respondents are selected on the basis of purposive sampling technique, taking 55 of the respondents as samples with the SPSS program to tabulate and analyze them. The results of this research indicated that (1) Product quality (X1) does not influence the purchase intention of coconut sugar in the UAE market significantly, (2) Price (X2) does not influence purchase intention of coconut sugar in the UAE, and (3) Packaging (X3) has influences Purchase intention of coconut sugar in the UAE both significantly and partially.

Finally, based on the results, this research gives advice for the reference of future studies on healthy food products especially in coconut sugar market.

Keywords: coconut sugar, product quality, price, packaging, purchase intention

INTRODUCTION

The obesity level in the UAE is one among the highest in the world. The UAE is ranked fifth in the world in terms of the number of obese people due to the rich Arabic that has high sugar and fat content and poor eating habits has been a major public concern. Consumers have become more interested in purchasing food that will improve their health and research shows the connection between diet and health is increasing the purchase intentions of healthy foods. This research is aimed at analyzing and testing the factors influencing the purchase intention of coconut sugar towards product quality, price, and packaging in UAE market.

LITERATUR REVIEW

Product Quality

Product quality is the characteristic of the product in the ability to fulfill the needs that have been latent and determined. Product quality refers to the characteristics of a product or service ability to fulfill customers' needs. Kotler and Keller (2016) specified that quality of product is the total features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs. According to Carpenter et al. (2013: 2), the quality of a food product by using 5 main criterions: 1. appearance, 2. taste, 3. texture, 4. size, 5. period of use. All these indicators refer to product quality which is corresponding with foodstuffs.

Price

For purchasing a product price is an important part and has a strong impact on the satisfaction level of customers. Price: is the one element of the marketing mix that produces revenue, the other elements produce costs. (Kotler and Keller 2016. According to Kotler dan Keller (2012:420) in Satria, 2017, show that there are three indicators of price: 1. price affordability, 2. price competes with competitors. 3. price is comparable to products offered.

Packaging

Undeniably one of the most important tools in modern marketing today is packaging (Minooei *et al.*, 2015: 8; Deliya, 2012: 199) in Sener and Dogan, 2015 as packaging enhances market share and sales and then reduces marketing and promotional costs. As all the actives of designing and producing the container for a product. Packaging is important because it is the buyer's first encounter with the product. (Kotler and Keller 2016). When it comes to the packaging, there are some elements of the packaging, those elements are shape, color, symbol, graphics patterns, pictures, size as stated by Silayoi and Speece (2007) in Hussain *et al.* 2015. According to Kotler (2012), in Abassi and Aghaei, (2016) stated that dimensions of packaging: size, form, shape, material, color, brand name.

Purchase Decision

Purchase intention is defined as the decision-making done by the customer who studied the reasons for buying a particular brand (Shah *et al.* 2012) in Mirabi *et al.*, 2015. Some factors which are identified as consumer purchase intention indicators are as follows: interested in finding information about products, consideration for buying, interested in trying, want to know the product, want to have the product, Schiffman and Kanuk (2004: 25) in Firman (2016: 33)

RESEARCH METHODS

The research is carried out by using quantitative method approach with causal type of research. Technique of data collection in this study uses questionnaires with non-probabilistic sampling method which the respondents are selected on the basis of purposive sampling technique, taking 55 of the respondents as samples with the SPSS program to tabulate and analyze them. Data analysis technique used in this research is Multiple Regression analysis

FINDINGS AND DISCUSSION

The samples in this research are taken from the population of customers in Supermarket in Dubai who are buying coconut sugar. The respondents are customers of coconut sugar as they are used to consuming daily and the total number of respondents is 55 customers. The characteristics of respondents are respectively according to gender, citizenship, marital status, education background, monthly income and the acknowledgment of coconut sugar.

36 respondents in gender buying coconut sugar in Supermarket in Dubai daily are male and the remaining 19 respondents are female. It shows that most of the customers in Supermarket in Dubai buying coconut sugar daily are male and the number of male. The respondents are almost twice compared to the number of female customers. Most of them buying coconut sugar in Supermarket in Dubai is Indian. In comparison to other countries, they are coming from India have the highest number of consumptions of coconut sugar in Dubai, as a matter of fact that they are the biggest expatriate community in the nation which constitutes 30 percent of the aggregate populace in UAE and most of them are fully aware of coconut sugar benefits for the health as the organic foods, compared to other citizenships in UAE, they are nearly using it daily. The married respondents use more coconut sugar in a daily basis than the unmarried respondents. Most of them are from adult age group, buying on daily basis have bachelor or post graduate education with other occupations backgrounds and have monthly income of 1.000-10.000 AED, 44%, All of them know about coconut sugar before who buy it in big quantities with more than 3 times in a month and prefer the size of 250 grams, 500 grams or 1 kg.

Description of Variable - Product Quality Variable (X1)

For appearance indicator, the mean of appearance indicator is 4.85 and the standard deviation is 0.356; for taste indicator, the mean of taste indicator is 4.78 and the standard deviation is 0.498; for texture indicator, the mean of texture indicator is 4.80 and the standard deviation is 0.404; for size indicator, the mean of size indicator is 4.65 and the standard deviation is 0.517 and for period of use indicator, the mean of period of use indicator is 4.78 and the standard deviation is 0.417. Based on the descriptions above about the product quality variable (X1), it shows that the mean of respondent's perspective of all the indicators is 4.77. It implies that the respondents are satisfied about the product quality of coconut sugar. In the Indicator number 1, it has the minimum deviation standard, meaning that the answers of respondents to the indicator is the most homogenous compared to the respondents on other indicators.

Description of Variable - Price (X2)

For affordable price indicator, the mean of affordable price indicator is 4.64 and the standard deviation is 0.557; for competitor price indicator, the mean of taste indicator is 4.67 and the standard deviation is 0.610; for fair price indicator, the mean of fair price indicator is 4.78 and the standard deviation is 0.498. Based on the descriptions above about the price variable (X1), it shows that the mean of respondent's perspective of all the indicators is 4.70. It implies that the respondents are satisfied about the price of coconut sugar. In the indicator number 3, it has the minimum standard deviation meaning that the answers of respondents to the indicator is the most homogeneous compared to the answers of respondents on other indicators.

Description of Variable - Packaging (X3)

For shape indicator, the mean of shape indicator is 4.78 and the standard deviation is 0.459; For color indicator, the mean of color indicator is 4.71 and the standard deviation is 0.497; for size indicator, the mean of texture indicator is 4.85 and the standard deviation is 0.356; for material indicator, the mean of material indicator is 4.75 and the standard deviation is 0.480; for picture indicator, the mean of picture indicator is 4.80 and the standard deviation is 0.480; for brand name indicator, the mean of brand name indicator is 4.84 and the standard deviation is 0.420. Based on the descriptions above about the packaging variable (X3), it shows that the mean of respondent's perspective of all the indicators is 4.79. It implies that the respondents are satisfied about the packaging of coconut sugar. In the indicator number 3, It has the minimum deviation standard, meaning that the answers of respondents to the indicator is the most homogeneous compared to the answers on other respondents.

Description of Variable - Purchase Intention (Y)

For the first indicator of purchase intention variant (interested in finding information about products), the mean of this indicator is 4.87 and the standard deviation is 0.388; for the second indicator of purchase intention variable (considerations for buying), the mean of the second indicator is 4.73 and the standard deviation is 0.525; for the third indicator of purchase intention variable (interested in trying), the mean of the third indicator of purchase intention variable is 4.80 and the standard deviation is 0.404; for the fourth indicator of purchase intention variable (want to know the products), the mean of the fourth indicator of purchase intention variable is 4.75 and the standard deviation is 0.480; for the fifth indicator of purchase intention variable (want to have a product), the mean of the fifth indicator of purchase intention variable is 4.82 and the standard deviation is 0.389. Based on the description above about the purchase intention variable (Y), it shows that the mean of respondent's perspective of all the indicators is 4.79. It implies that the respondents are interested about purchasing coconut sugar. In the indicator number 3, it has the minimum deviation standard, meaning that the answers of respondents to this indicator is the most homogeneous compared to the answers of respondents other indicators.

The influence of Product Quality towards Purchase Intention

Data obtained from the results of statistical tests, in this case the t-test is to determine the influence of Product quality towards Purchase Intention of coconut sugar in the UAE, Market, it shows that the p-value for product quality variable (X1) is 0.212. The p-value is higher than the significant level of 0.05 (5%), so it can be concluded that product quality variable does not affect the purchase intention to buy coconut sugar in Supermarket in Dubai significantly and partially.

The result of the study is supported by previous studies, conducted by Bao et al. (2011) in Bilal, 2016 and Bueno, 2018 which confirmed that the product quality has no significant impact on the intention, but this study goes against with previous studies stating a positive impact of the product quality on customers' purchase intention (Chi et al., 2008; Jalilvand et al., 2011; Gogoi, 2013; Tariq et al., 2013; Tih and Lee, 2013; Dursun et al., 2011; Bao et al., 2011; Levy and Guterman, 2012) as mentioned in Mirabi, et al., 2015.

Managerial Implications of Product Quality towards Purchase Intention: farmers with workshop and intensive training so that the results of the colors will look all the and remain attractive when harvested or sapped from the trees.

The Influence of Price towards Purchase Intention

Data obtained from the results of statistical tests, in this case the t-test is to determine the influence of Price, towards Purchase Intention of coconut sugar in the UAE, Market, where the results exhibit the p-value for price variable (2) is 0.383. The p-value is higher than the significant level of 0.05 (5%), so it can be concluded that price of coconut sugar does not affect the purchase intention of the customers to buy coconut sugar in Supermarket in Dubai significantly and partially. The result of the study confirmed that price has no a significant impact or negative impact to purchase intention, which this study is supported by previous studies: Sulasih, 2017, Hawa *et al*, 2014, Mirabi, *et al*, 2015, Kar *et al.*, 2018, Bueno, 2018, Mirabi, Akbariyeh, and Tahmasebifard, 2015 confirmed that price has no a significant impact or negative impact to purchase intention.

Managerial Implications of Price towards Purchase Intention:

Affordable price to be changed into selling coconut sugar with fairly more competitive prices compared to other sweetener products by using an automatic machine; and Price is not competitive compare with other sweetener to be changed into segmentation of the users for organic vs non-organic and price vs weight on each of the packed goods by selling each of products based on preference and characteristics of customers.

The Influence of Packaging on Purchase Intention

Data obtained from the results of statistical tests, in this case the t-test is to determine the influence of Packaging towards Purchase Intention of coconut sugar in the UAE, Market, where the results exhibit that the p-value for packaging variable (X3) is 0,000. The value of less than the significant level is 0.05 (5%), partially. so it can be concluded that the packaging of coconut sugar significantly affects the purchase intention to buy coconut sugar in Supermarket in Dubai on daily basis partially. This study is similar to the previous study by Amizah *et al*, 2014 and Hawa *et al*, 2014 and Nonis, Hudson and Hunt (2010) but this study goes against with previous study by Mirabi, Akbariyeh, and Tahmasebifard, 2015, Kar, Meena and Patnaik, 2018, packaging was not significantly correlated to the consumer's intention

Managerial Implications of Packaging towards Purchase Intention:

Transparent with the background white in color for Brand and Picture are to be changed into adding some colors to the pictures but not changing the transparent packaging; Using transparent plastic for safety are to be changed into using other alternative packing besides plastics such as kraft papers, paper bags, glasses, jars, metalized, aluminium foils, etc. and production costs to be taken into further consideration ; and No absorbent material to be changed into using oxygen absorber to avoid damages and oxidization to coconut sugar during long period of storage

CONCLUSION

Based on the research amongst the variables used, it can be concluded that the product quality in variable (X1) has no significant influences to purchase intention.; the price in variable (X2), price has no a significant impact or negative impact to purchase intention, the packaging in variable (X3), mostly consumers are in favor of the size of packaging is matched with their expectations and packaging has significant influences to purchase intention. The results of the research about the factors influencing the purchase intention of coconut sugar towards product quality, price, and packaging in UAE market show that the company should pay good attention to attractiveness of color by offering competitive price in the market so that the consumers can afford to purchase in either small or big quantities for their health benefits by providing different size of packaging forms and relevant information given which is easy to be understandable and readable which encourage them to try and purchase it in either small or big quantities.

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