

The Influence of Differentiation, Product Quality, Targeting On Interest in Buying Lega Rantauprapat Drinks with Brand Positioning As A Moderating Variable

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Abstract

In this era of digitalization, competition for the food and beverage business is increasing rapidly. This can be seen from the many types of food and beverages available in the market. Even though the current situation is not very good due to the pandemic that occurred a few years ago, the number of business actors in Labuhanbatu is increasing. Culinary diversity opens opportunities for business actors in Labuhanbatu to develop their business as a means of serving drinks and food to the people in Labuhanbatu. Various targeting strategies are carried out such as market surveys about products that are most in demand by the community, affordable prices, locations that are suitable for the products being marketed, product marketing processes for all products from all levels of society, and how to provide services to consumers as well as the provision of facilities and infrastructure is a marketing process carried out to attract consumer buying interest. The variables to be examined in this study are Differentiation (X1), Product Quality (X2), Targeting (X3) as independent variables, and Purchase Intention (Y) as the dependent variable, and Brand Positioning (Y) as a moderating variable. The results of the normality test using the P-plot chart were carried out using the Kolmogorov-Smirnov analysis with the condition that $Asmp. Sig.(2-tailed) > 0.05$, it means that the normal distribution is not disturbed, whereas if the value of $Asmp. Sig.(2-tailed) < 0.05$, it means that the normal distribution is disturbed. And showing the results of the Kolmogorov-Smirnov statistical analysis in the table it can be seen that the $Asymp Sig (2 tailed)$ value is 0.200 greater than 0.05.

Keywords: Differentiation; Product Quality; Targetting; Purchase Interest; Brand Positioning.

1. Introduction

In this era of digitalization, competition for the food and beverage business is increasing rapidly. This can be seen from the many types of food and beverages available in the market. Even though the current situation is not very good due to the pandemic that occurred a few years ago, the number of business actors in Labuhanbatu is increasing. One type of beverage business that is most in demand by the people of Labuhanbatu is relief drinks. The key to the competitive advantage of a product is product differentiation, where companies must be able to set meaningful differences in each product they produce so that the product can compete with other products (Kotler & Keller, 2016).

The key to the superiority of a product is product differentiation, where companies must be able to set meaningful differences in each product so that the product can compete with other products. The differentiation of Lega beverage products can be seen where product differentiation is carried out by creating various flavors of drinks and several food products, as well as having a very attractive place so that it can increase the interest of visitors to come to Lega beverage outlets. Culinary diversity opens opportunities for business actors in Labuhanbatu to develop their business as a means of serving drinks and food to the people in Labuhanbatu. Various targeting strategies are carried out such as market surveys about products that are most in demand by the public, affordable prices (Pohan, 2022).

A product can be sold because of consumer interest in buying the product. Basically, consumer buying interest arises because of the needs and desires of consumers to have a product. The process of generating consumer buying interest is not easy because it is influenced by several factors, namely price, product quality, income and attitudes or the influence of other people (Prayoga & Pohan, 2022). According to Philip Kotler, (2012) To attract consumers to buy a product, companies must be able to see what the market or consumers need, in this case, is the quality of the product

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itself. Consumers tend to buy products that they consider to be of good quality in terms of usability, packaging, features, of course, at prices that are adjusted to their income. Brand positioning or product placement is a technique that can be used to build a desirable business. With this technique, business actors can understand the position of a brand or product in the eyes of customers. The result is that the brand that the business actor has can be built better. The brand positioning strategy aims to make consumer loyalty permanent because the position of a brand is clear and guaranteed (credible) (Widiaswara, 2017). Therefore this one strategy is quite effective if implemented in the right way. By implementing a brand positioning strategy in the business operations of business actors. So that both the brand and the product that the business actor sells will be more easily recognized by customers and at the same time succeed in stealing a positive first impression from them. the hope (Limbong et al., 2022). The enticed potential consumers will switch their hearts from competitors to the products of business actors. This one technique is an effort to maximize good impressions of the product or brand of a business actor in the minds of customers. For this reason, it is necessary to design the right strategy to competent human resources in their fields.

2. Literature Review

2.1. Product Differentiation

According to Danna & Griffin, (1999) product differentiation is the creation of a product or product image that is quite different from products that have been circulating with the intention of attracting consumers. According to Philip Kotler, (2012) product differentiation is the act of designing a series of meaningful differences to differentiate the company's offer from competitors' offers.

- a. Meanwhile, according to Ted Levitt quoted in Jackson & Eklund, (2002) product differentiation is one of the most important strategic and tactical activities and must be carried out continuously by companies. Porter in Mudrajad (2006) said that in implementing a product differentiation strategy, companies must choose attributes that are different from competitors' attributes which are considered important by many consumers. Product differentiation strategies can be carried out based on the criteria used by (Philip Kotler, 2011) as follows:
- b. Form: Many products have product differentiation based on the shape, size, model or physical structure of a product.
- c. Privileges; Each company must decide whether to offer special privileges to customers at a higher cost or a few standard packages at a lower cost.
- d. Performance quality; Refers to the level at which the basic characteristics of the product operate and there is a price level that matches the quality
- e. Conformity quality; The degree to which all produced units are identical and meet the promised target specifications
- f. Durability: A measure of product operating life that is expected under normal or severe conditions, is a valuable attribute for certain products
- g. Reliability: A measure of the probability that a product will not be damaged or fail within a certain period of time
- h. Easy to fix: A measure of the ease with which a defective product can be repaired
- i. Style: Describe the appearance and feeling the product evokes in the buyer
- j. Draft: The totality of features that affect the appearance and function of a product in terms of customer needs

2.2. Product Quality

According to Fadhli & Pratiwi, (2021) product quality is a measure used by companies to determine the extent to which a product or service can meet predetermined standard values. According to Kotler and AB Susanto (2000) product quality is the overall characteristics and characteristics of goods and services that affect their ability to meet stated or implied needs. Meanwhile, according to Setyowati et al., (2023) stated about product quality as an effort made by the company which refers to everything that can provide satisfaction for consumers. According to (Omoregie et al., 2019) product quality is a dynamic condition related to products, services, people, processes, and the environment that meets or exceeds expectations.

2.3. Targeting

Targeting (target market) is a further action of what has been done by producers or after segmentation. After evaluating existing segments, according to (Philip Kotler, 2011) companies can choose target markets with several patterns (five patterns), including:

- a. Single segment concentration
- b. Selective specialization
- c. Product specialization
- d. Market specialization
- e. Coverage of the entire market

After conducting an evaluation, the company must decide which segment to take and serve. The target market consists of a set of buyers with similar needs or characteristics that the company intends to serve (Alfred, 2013). Three factors must be considered in market segments so as not to experience mistakes in determining the target market:

- a. Segment size and growth
- b. Segment structural attractiveness
- c. Company goals and resources

2.4. Interest to Buy

According to Kinnear and Taylor in Alfred, (2013) buying interest states that buying interest is the stage of the respondent's tendency to act before the buying decision is actually implemented. There is a difference between actual purchase and purchase intention. According to Leon G. Schiffman, (2007) buying interest is a mental activity that arises because of feelings (affective) and thoughts (cognitive) towards a desired item or service. So that buying interest can be interpreted as a happy attitude towards an object that makes individuals try to get the object by paying with money (sacrifice). In addition, according to Nindiani et al., (2018) buying interest is the final stage of a complex purchasing decision process. This process begins with the emergence of a need for a product or brand (need arousal) followed by information processing by consumers (consumer information processing). Furthermore, consumers evaluate the product or brand. The results of this evaluation ultimately lead to an intention or intention to buy before the consumer actually makes a purchase.

According to Nindiani et al., (2018) there are several factors that influence a consumer's purchase intention for a product which includes:

- a. Product quality:: The value and benefits provided by products to consumers to consume products that lead to comfort and satisfaction as well as a sense of interest in buying the product
- b. Price: Is a number of economic sacrifices given by consumers to buy a product that is very dependent on the budget that a consumer has to buy a product
- c. Product design: It is the pattern on the background of the product that ultimately creates a feeling of interest in buying the product
- d. Distribution: Is a distribution to be easily found by consumers

2.5. Brand Positioning

According to Kotler in Indar Rachmawati et al., (2020) positioning is the act of designing a company's offer and image so that it occupies a distinctive position in the minds of its target customers. The end result of positioning is creating the right value proposition, which is the reason for customers to buy. According to Fandy Tjiptono and Philip Kotler, (2012) what is meant by position in the context of marketing is the way a company's product, brand or organization is perceived relatively compared to competitors' products, brands or organizations by current and potential customers. According to Philip Kotler, (2012) several positioning strategies are:

- a. Positioning by attribute
- b. Positioning according to benefits
- c. Positioning according to application and use
- d. Positioning according to the user
- e. Positioning by competitors
- f. Positioning by product category
- g. Positioning by price category

3. Methods

This study uses the calculation results of the IBM Statistical Package For The Social Science (SPSS) version 26 which aims to determine the level of significance and the relationship between the independent variables and the dependent variable. In this study the measurement scale used is the ordinal scale. The attitude measurement method used is the Likert scale, then the respondent's response values are summed up and this number is the total value and this total value is interpreted as the respondent's position on the Likert scale. This study asked respondents to fill out a further questionnaire and obtained data on the effect of differentiation, product quality, targeting on purchase intention with brand positioning as a moderating variable.

This study uses multiple regression analysis method. The population in this study were buyers of Lega Rantauprapat drinks. In determining the number of research samples, the authors used the Non-Probability technique by Accidental Sampling, namely a sampling technique based on coincidence, that is, anyone who coincidentally or incidentally meets the researcher can be used as a sample, if it is deemed that the person who happened to be met is suitable as a data source. This way is done because it is not clear the number of population. The research variables used are differentiation, product quality, targeting as independent variables. Meanwhile, buying interest is the dependent variable, and brand positioning is the moderating variable.

4. Result and Discussions

4.1. Validity and Reliability Test Results

Deployment questionnaire could conducted if whole question items declared Fulfill criteria of validity test and validity test. Ghozali, (2016) states the validity test carried out on each item of the question from questionnaire, the item declared valid if have total correlation value > criteria significant (0.5). Validity test conducted to 30 employees from the District National Land Agency Labuhanbatu. The results of the validity test are loaded in table 1:

Table 1. Validity test results

Variable	Total Correlation	Sig Criteria	Information
X1.1	.919	0.5	Valid
X1.2	.660	0.5	Valid
X1.3	.757	0.5	Valid
X1.4	.743	0.5	Valid
X1.5	.919	0.5	Valid
X2.1	.684	0.5	Valid
X2.2	.765	0.5	Valid
X2.3	.633	0.5	Valid
X2.4	.587	0.5	Valid
X2.5	.538	0.5	Valid
X3.1	.660	0.5	Valid
X3.2	.757	0.5	Valid
X3.3	.743	0.5	Valid
X3.4	.919	0.5	Valid
X3.5	.660	0.5	Valid
Y.1	.833	0.5	Valid
Y.2	.516	0.5	Valid
Y.3	.862	0.5	Valid
Y.4	.755	0.5	Valid
Y.5	.862	0.5	Valid

Question items said Fulfill validity test criteria, next conducted validity test for knowing results permanent with measurement consistent when measured use tool the same measure, a variable is declared reliable if have score Croanbach alpha > 0.6 (Ariyani & Sugiyanto, 2020). The results of the reliability test are loaded in the table 2.

Table 2. Reliability Test Results

Variable	Croanbach Alpha (CA)	Information
Differentiation	,796	Reliable
Product Quality	,802	Reliable
Targetting	,806	Reliable
Buying Interest	,796	Reliable

Table 1 and table 2 show that all question items are declared valid and reliable, as well as questionnaire worthy to be spread. Data obtained through deployment questionnaire then analyzed use a number of technique analysis. The first analysis technique that is assumption test classic. Assumption test classic consist from normality test, multicollinearity test and heteroscedasticity test. Normality test in research this use chart p-plot. Normality test results loaded on image following: The normality test can be done by looking at the PP Plot graphic display, the histogram graphic display is shown in Figure 4.1 where this graph gives a normal distribution pattern because it spreads evenly to the left and right.

4.2. Normal P Plot

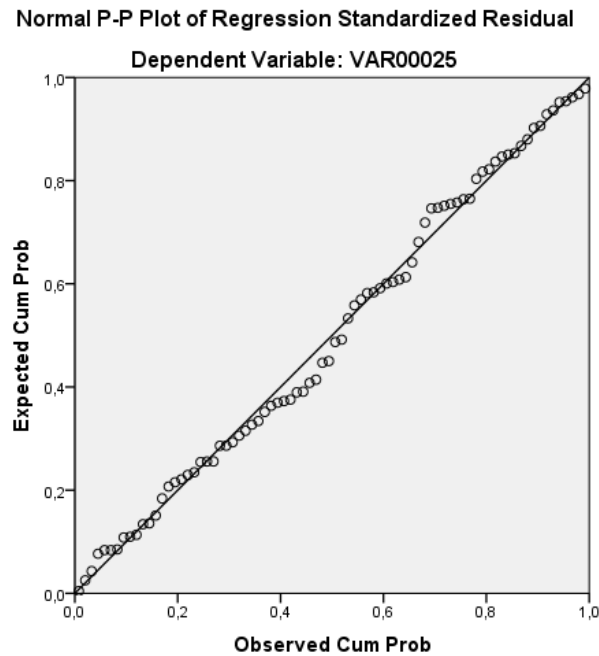


Figure 1. PP PLOT graph

Table 3. Statistics analysis

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		80
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	1.36924599
Most Extreme Differences	Absolute	.064
	Positive	.063
	Negative	-.064
Test Statistic		.064
Asymp. Sig. (2-tailed)		.200 ^{c,d}

In Figure 1 of the PP Plot graph, it can be seen that the dots spread around the diagonal line and their spread follows the direction of the diagonal line. From this graph it can be concluded that the regression line model meets the assumption of normality. To further strengthen the results of the normality test with the P-Plot graph, a Kolmogorov-Smirnov analysis is carried out with the condition that $Asmp. Sig.(2-tailed) > 0.05$, it means that the normal distribution is not disturbed, whereas if the value of $Asmp. Sig.(2-tailed) < 0.05$, it means that the normal distribution is disturbed.

Based on Table 3, shows the results of the Kolmogorov-Smirnov statistical analysis in the table it can be seen that the $Asymp Sig (2 tailed)$ value is 0.200 greater than 0.05. This shows that the regression model meets the assumption of normality.

4.3. *Multicollinearity Test*

Table 2. Multicollinearity test results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95,0% Confidence Interval for B		Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1 (Constant)	5.028	1.539		3.266	.002	1.961	8.094		
Differentiation	.180	.105	.205	1.710	.091	-.030	.389	.569	1.758
Product quality	.247	.104	.281	2.377	.020	.040	.454	.583	1.715
Targeting	.101	.096	.124	1.049	.297	-.091	.293	.586	1.706
Brand Positioning	.163	.122	.159	1.338	.185	-.080	.405	.578	1.731

Source: primary data processed by researchers (2022).

Table 2 shows that the four independent variables, namely the Differentiation Variable (X1), Product Quality Variable (X2), Targeting Variable (X3), and Brand Positioning Variable (Z), have VIF values of 1.758, 1.715, 1.706, and 1.731 whose overall level exceeds 10, resulting in multicollinearity in the independent variables of the study.

4.4. *Glejser Test*

Table 3. Glejser test

Model	Coefficients ^a				t	Sig.
	Unstandardized Coefficients		Standardized Coefficients			
	B	std. Error	Beta			
1 (Constant)	1.176	.827		1.422	.159	
Differentiation	-.125	.056	-.325	-2.219	.030	
Product quality	-.004	.056	-.009	-.063	.950	
Targeting	.022	.052	.062	.429	.669	
Brand Positioning	.104	.065	.231	1.593	.115	

a. Dependent Variable: Purchase Intention

Based on the results of the Glejser test in Table 3, it is known that the significance value of the Differentiation Variable (X1) is $0.030 < 0.05$, meaning that the data is concluded to have heteroscedasticity, the significant value of the Product Quality Variable (X2) is $0.950 > 0.05$, meaning that the data is concluded not to have occurred heteroscedasticity, the significant value of the Targeting Variable (X3) is $0.669 > 0.05$, meaning that the data concludes that there is no heteroscedasticity, and the significant value of the Brand Positioning Variable (Z) is $0.115 > 0.05$ meaning that the data concludes that there is no heteroscedasticity.

4.5. Results of Multiple Linear Regression Analysis

Table 4 shows that what is used to estimate the effect is:

$$Y = 5.028 + 0.180 + -0.247 + 0.101 + 0.163 + e$$

description:

- 1) A constant value of 5.028 can be interpreted, if Differentiation (X1), Product Quality (X2), Targeting (X3), and Brand Positioning (Z), both remain at zero or constant value, then the resulting Buying Interest (Y) is worth 5.028
- 2) Differentiation (X1) has a positive and significant effect on Purchase Intention (Y) with a regression coefficient of 0.180 meaning that if Differentiation increases by 0.180, Purchase Interest (Y) also increases by 0.180
- 3) Product Quality (X2) has a positive and significant effect on Purchase Intention (Y) with a regression coefficient of 0.247 meaning that if Product Quality increases by 0.247 then Purchase Interest (Y) also increases by 0.247
- 4) Targeting (X3) has a positive and significant effect on Purchase Intention (Y) with a regression coefficient of 0.101 meaning that if Targeting increases by 0.101, Purchase Interest (Y) also increases by 0.101
- 5) Brand Positioning (Z) has a positive and significant effect on Purchase Intention (Y) with a regression coefficient of 0.163 meaning that if Brand Positioning increases by 0.180, Purchase Interest (Y) also increases by 0.163.

Table 4. Results of multiple linear regression analysis

		Coefficients ^a			t	Sig.
Model		Unstandardized Coefficients		Standardized Coefficients		
		B	std. Error	Beta		
1	(Constant)	5.028	1.539		3.266	.002
	Differentiation	.180	.105	.205	1.710	.041
	Product quality	.247	.104	.281	2.377	.020
	targeting	.101	.096	.124	1.049	.297
	Brand Positioning	.163	.122	.159	1.338	.185

a. Dependent Variable: Purchase Intention

4.6. Partial Test (T Test)

The purpose of this (partial) t test is to find out how much influence the independent variable has with the dependent variable partially. Based on Table 4, the results of the t-table value that will be used in the study is the t-value with a significance of 5%.

4.7. Simultaneous Test (Test F)

Table 6. Simultaneous test results (test f)

		ANOVA				
Model		Sum of Squares	df	MeanSquare	F	Sig.
1	Regression	93.838	4	23.460	11.879	.000b
	residual	148.112	75	1.975		
	Total	241.950	79			

a. Dependent Variable: Purchase Intention

From the results of statistical tests (Table 6) that have been carried out, the value of F is obtained $F_{table} : 11,879$ with a sig value of 0.000. And the F_{table} value is carried out, namely the distribution value of F. Thus the significant level of

$0.000 < 0.05$. This shows that the independent variables simultaneously (together) have a positive and significant effect on buying interest. Thus the hypothesis can be accepted.

4.8. Determinant Coefficient (R2)

The coefficient value of Adjusted R Square is 0.355 or equal to 35.5%. Then the value of Buying Interest is 35.5% which can be explained through Differentiation Variables, Product Quality, Targeting, while 64.5% is influenced by other factors such as Brand Positioning (Z).

Table 7. Determinant coefficient results (R²)

Summary model					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.623 ^a	.388	.355	1.40528	1.830

a. Predictors: (Constant), Targetting, Product Quality, Differentiation

b. Dependent Variable: Purchase Intention

5. Conclusions

Based on the result and discussion, we can conclude that:

- Partially that the Differentiation Variable (X1), has a positive and significant effect on Purchase Interest (Y) Legacy Drinks in Labuhanbatu, with a tcount of 1.710 > Ftable of 1.665 with a significant level of 0.041 < 0.05
- Partially that the Product Quality Variable (X2), has a positive and significant effect on Purchase Intention (Y) Legacy Drinks in Labuhanbatu, with a tcount of 2.377 > Ftable of 1.665 with a significant level of 0.041 < 0.05
- Partially that the Targetting Variable (X3), has no positive and significant effect on Purchase Intention (Y) Legacy Drinks in Labuhanbatu, with a tcount of 1.049 < Ftable of 1.665 with a significant level of 0.297 > 0.05
- Based on the results of the Adjusted R Square Determinant Coefficient Test, it shows that the Purchase Interest Variable (Y) for Lega drinks in Labuhanbatu can be explained by the Differentiation Variables (X1), Product Quality (X2), Targetting (X3) with Purchase Intention (Y), while the remainder is 64.5% is influenced by other factors, namely the variable Brand Positioning (Z).

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