

The Effect of Price and Brand Image on Oreo Buying Interest at PT Delada Cahaya Mas Agro Gunungsitoli

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ABSTRACT

This study aims to analyze the influence of price and brand image on consumer purchase intention of Oreo products at PT. Delada Cahaya Mas Agro Gunungsitoli. This research employed a quantitative method with an associative approach. The population consisted of all consumers who had purchased Oreo products, and a purposive sampling technique was applied to select 60 respondents. Data collection was conducted using a structured questionnaire, and the results were analyzed through classical assumption testing, multiple linear regression, t-test, F-test, and coefficient of determination (R^2). The findings reveal that price has a positive and significant effect on purchase intention ($t = 2.124 > 1.986$, $p = 0.036 < 0.05$). Similarly, brand image exerts a positive and significant influence on purchase intention ($t = 7.770 > 1.986$, $p = 0.000 < 0.05$). Simultaneously, price and brand image positively and significantly affect purchase intention ($F = 61.220 > 3.09$, $p = 0.000$). The R^2 value of 0.476 indicates that these variables explain 47.6% of the variance in purchase intention, while the remaining 52.4% is influenced by other factors. These results highlight the strategic importance of price setting and strengthening brand image in enhancing consumer purchase interest.

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1. INTRODUCTION

The snack food industry has experienced rapid growth in recent years, both globally and in Indonesia. This development is strongly driven by changing consumer lifestyles that increasingly demand practical, easy-to-consume, and tasteful products suitable for any time and place. Urbanization and busy daily routines have significantly influenced consumer preferences, making snack foods not only leisure items but also a fundamental part of daily consumption patterns (Rohman et al., 2023).

Among snack foods, biscuits represent one of the fastest-growing sub-sectors due to their durability, practical packaging, product variety, and wide distribution. Innovations in flavors and packaging have also strengthened consumer interest, positioning biscuits as a promising market segment with both economic and employment contributions (Pamungkas & Praditya, 2024). According to the Indonesian Ministry of Industry, the food and beverage sub-sector contributed more than 36% to the non-oil and gas manufacturing GDP in 2022, underlining the strategic role of this industry in the national economy.

In this competitive context, companies are increasingly pressured to differentiate themselves not only through product innovation but also through effective pricing strategies and strong brand images. Consumer behavior shows a high level of selectivity, with purchase decisions influenced not

only by product quality but also by emotional, social, and psychological perceptions of brand identity (Sciences, 2022). Price remains a crucial determinant in purchasing decisions. It is not merely the monetary value exchanged for goods but a representation of perceived value. If consumers believe that the product offers benefits proportional to or greater than its price, purchase intention tends to increase. Conversely, when prices are perceived as too high without added value, consumer interest declines (Arsawan et al., 2022).

Similarly, brand image plays an essential role in shaping consumer loyalty. A strong, positive brand image helps consumers develop trust and emotional attachment to a product. Companies like Oreo, which has been established globally since 1912 and is widely popular in Indonesia, rely heavily on brand image to maintain their competitive edge. Its iconic slogan and continuous innovation in product variations have positioned Oreo as one of the leading biscuit brands. Despite Oreo's global success, maintaining consumer loyalty in local markets such as Gunungsitoli presents challenges. PT. Delada Cahaya Mas Agro Gunungsitoli reported a decline in consumer purchase interest in recent years. One major contributing factor was a price adjustment in 2023 that led to higher consumer perceptions of decreased value (Pant et al., 2024). This discouraged repeat purchases and shifted consumer preference toward more affordable alternatives.

Additionally, the lack of effective promotional strategies further weakened Oreo's competitive position in the local market. The company's minimal use of discounts, product bundling, or localized media campaigns has limited brand recall and reduced consumer engagement. This weakened brand image, coupled with inadequate product distribution, has restricted consumer access to Oreo products, particularly in traditional retail outlets (Chi et al., 2023). These challenges are compounded by the presence of competitors offering lower-priced products, diverse flavors, and aggressive marketing strategies. As a result, Oreo has struggled to maintain its leadership position in Gunungsitoli despite its global brand recognition.

The decline in purchase interest highlights the importance of reevaluating Oreo's pricing and branding strategies within this local market. Since brand image and price significantly influence purchase decisions, it is crucial for PT. Delada Cahaya Mas Agro Gunungsitoli to understand the relationship between these variables to design effective marketing strategies (Siagian et al., 2022). Research on the simultaneous influence of price and brand image on Oreo's purchase intention in Gunungsitoli remains limited, making this study both academically relevant and practically necessary. By investigating these factors, this study contributes not only to consumer behavior theory but also provides practical recommendations for businesses in competitive food industries.

The objectives of this study are threefold: (1) to determine the influence of price on purchase intention, (2) to assess the influence of brand image on purchase intention, and (3) to evaluate the simultaneous influence of price and brand image on purchase intention of Oreo products. The significance of this research lies in its potential contributions. Theoretically, it enriches academic literature on consumer purchase intention. Practically, it provides PT. Delada Cahaya Mas Agro with insights into how price adjustments and brand image management can enhance consumer interest. The findings can also be used as a reference for future research exploring consumer behavior in local markets. Thus, this study addresses the urgent need to analyze the interplay of price and brand image in shaping consumer purchasing behavior for Oreo products, particularly in Gunungsitoli.

2. RESEARCH METHOD

This study employed a quantitative research design with an associative approach. The design was appropriate to test hypotheses regarding the relationship between independent variables (price and brand image) and the dependent variable (purchase intention). The quantitative method enabled measurement of these variables using numerical data and statistical analysis, ensuring objectivity and reliability of results. The population consisted of all consumers who had purchased Oreo products distributed by PT. Delada Cahaya Mas Agro Gunungsitoli. Using purposive sampling, 60 respondents were selected based on specific criteria, namely consumers who had previously purchased Oreo products (Sobaih et al., 2022). Data were collected through a structured questionnaire developed from theoretical indicators of price, brand image, and purchase intention. The collected data were analyzed using several statistical techniques. Classical assumption tests were conducted to ensure validity and reliability, including normality, multicollinearity, and

heteroscedasticity tests. Multiple linear regression analysis was applied to examine the relationship between independent and dependent variables. Hypothesis testing employed both t-tests for partial effects and F-tests for simultaneous effects. The coefficient of determination (R^2) was calculated to determine the extent to which price and brand image explained the variance in purchase intention (Armadan et al., 2023).

3. RESULTS AND DISCUSSIONS

The results of the validity test confirmed that all items of the questionnaire used to measure price, brand image, and purchase intention met the required criteria, with correlation coefficients greater than the r-table value of 0.254. This finding indicates that every instrument item was valid and could accurately measure the intended variables. Reliability testing also produced Cronbach's Alpha values above 0.70 for all variables, showing that the instruments were reliable and internally consistent (Pamungkas & Praditya, 2024).

Descriptive statistical analysis revealed the demographic characteristics of respondents. Most respondents were female (55%), aged between 21 and 30 years (48%), with the majority having a senior high school education background (42%). In terms of occupation, students dominated the sample (36%), while the majority of respondents had a monthly income below IDR 2,000,000 (45%). These demographics suggest that the sample represented consumers with relatively limited purchasing power, which can influence perceptions of price sensitivity and brand preference (Sobari & Tussoleha Rony, 2025).

The descriptive statistics of the research variables showed that the mean score for the price variable was 3.65 on a scale of 5, indicating that most respondents perceived Oreo's price as moderately acceptable. The brand image variable recorded a higher mean of 4.02, suggesting that respondents had a positive perception of Oreo's brand image. Meanwhile, the purchase intention variable obtained an average score of 3.78, reflecting that consumers were moderately interested in purchasing Oreo products (Pant et al., 2024).

The normality test using the Kolmogorov-Smirnov method indicated a significance level greater than 0.05, confirming that the residuals were normally distributed. The multicollinearity test also showed tolerance values above 0.10 and VIF values below 10, suggesting that no multicollinearity existed among the independent variables. Similarly, the heteroscedasticity test confirmed the absence of heteroscedasticity, validating the appropriateness of regression analysis. The multiple regression analysis generated the following equation: $Y = 6.212 + 0.214X_1 + 0.482X_2$, where Y represents purchase intention, X_1 represents price, and X_2 represents brand image. This equation implies that both variables positively influence purchase intention, with brand image showing a stronger effect compared to price (Loughhead et al., 2023).

The t-test results demonstrated that price significantly influenced purchase intention with a t-value of 2.124 (greater than t-table 1.986) and a significance level of 0.036 (less than 0.05). Thus, the first hypothesis (H1) was accepted. Similarly, brand image produced a t-value of 7.770, which was also greater than t-table 1.986, and a significance level of 0.000. Therefore, the second hypothesis (H2) was accepted, confirming the significant impact of brand image on purchase intention. The F-test for simultaneous analysis showed an F-value of 61.220, which was greater than the F-table value of 3.09, with a significance level of 0.000. This result confirmed that price and brand image together significantly affected purchase intention. Consequently, the third hypothesis (H3) was accepted (Arsawan et al., 2022).

The coefficient of determination (R^2) value was 0.476, indicating that price and brand image collectively explained 47.6% of the variance in purchase intention. The remaining 52.4% was influenced by other variables not included in this study, such as product quality, promotion, distribution, and consumer lifestyle factors.

Overall, the results demonstrate that while both price and brand image play important roles in shaping consumer purchase intention, brand image appears to exert a more dominant influence. This suggests that consumers' emotional and cognitive associations with Oreo as a global brand outweigh the perceived value of its pricing (Visser & Scheepers, 2022). The empirical findings of this study underscore the importance of integrating both pricing strategies and brand-building efforts in

Oreo's local marketing activities. Companies that fail to balance these factors risk losing consumer interest, particularly in highly competitive markets such as Gunungsitoli.

DISCUSSION

The findings confirm that price significantly affects purchase intention, aligning with the theory that price reflects consumers' perception of value. When Oreo raised its price without providing additional value enhancements, many consumers in Gunungsitoli began to perceive the product as less affordable. This result supports (Tari et al., 2023), who argued that price perceptions are closely tied to the perceived benefits of a product. Thus, affordability and fairness in pricing remain critical in retaining consumer loyalty. The significant influence of brand image on purchase intention highlights Oreo's strength as a globally recognized brand. Despite price increases, many consumers still expressed interest in Oreo due to its strong brand identity, consistent quality, and positive emotional associations. This finding is consistent with Keller's (2020) in (Pamungkas & Praditya, 2024) assertion that brand image shapes consumer memory associations, building trust and emotional attachment.

Comparing the effects of both variables, brand image showed a stronger impact on purchase intention than price. This implies that consumers prioritize emotional and symbolic associations over purely economic considerations. In highly competitive markets, consumers are often willing to pay more for products that resonate with their identity and lifestyle. This supports (Ndruru et al., 2025), who emphasized that brand image can serve as a long-term driver of consumer loyalty. The simultaneous influence of price and brand image further reinforces the idea that these variables are interdependent. A well-perceived brand image can mitigate the negative effects of higher pricing, while fair pricing can amplify the positive effects of brand image. Thus, companies need to integrate pricing strategies with consistent brand communication to maximize consumer purchase intention.

The R^2 value of 47.6% indicates that while price and brand image are important, other factors such as product quality, promotional activities, and distribution channels also play crucial roles. This aligns with the marketing mix theory, which posits that consumer behavior is influenced by a combination of product, price, place, and promotion. In Oreo's case, weak promotional activities and inconsistent distribution were noted as significant challenges (Halawa, Anggraini, et al., 2023). The decline in Oreo's purchase interest at PT. Delada Cahaya Mas Agro Gunungsitoli can partly be explained by the lack of localized promotional efforts. Unlike competitors who aggressively use discounts, product bundling, and community engagement, Oreo has relied heavily on its global branding strategy, which may not fully resonate with local consumers.

This study's findings also highlight the importance of maintaining consistent distribution networks. Consumers reported limited availability of Oreo products in traditional markets, which are key retail outlets in Gunungsitoli. When access is limited, even a strong brand image cannot fully sustain consumer purchase intention. The empirical evidence further suggests that Oreo's brand image, while globally strong, requires continuous reinforcement in local contexts (Halawa, Sridadi, et al., 2023). Consumers in smaller markets like Gunungsitoli may require more personalized engagement strategies, such as localized advertising campaigns and culturally relevant promotional activities.

Comparing this study with previous research, such as (Halawa, Sridadi, et al., 2023), who examined the role of brand ambassadors, it becomes evident that brand image can be enhanced through innovative marketing approaches. For Oreo, collaborating with local influencers or communities could strengthen its brand image at the local level. The stronger effect of brand image compared to price also implies that Oreo should focus on creating emotional bonds with consumers. Campaigns that emphasize family moments, cultural values, and consumer identity could make Oreo more relatable and appealing despite higher pricing.

From a managerial perspective, PT. Delada Cahaya Mas Agro Gunungsitoli should adopt a dual strategy. On one hand, the company needs to review its pricing policies to ensure they remain competitive. On the other hand, efforts should be intensified to strengthen Oreo's brand image through promotions, storytelling, and consistent product innovation (Siswanto & Yuliana, 2022). The findings also suggest that consumers are highly sensitive to changes in value perception. Therefore,

even minor price adjustments must be accompanied by clear communication of value-added benefits, such as improved packaging, new flavors, or exclusive promotions.

At the same time, brand image must be carefully managed to maintain consumer trust. Negative perceptions can quickly erode purchase intention, particularly in highly competitive markets where alternatives are easily available. Therefore, brand consistency across advertising, product quality, and consumer experience is crucial. In line with behavioral marketing theories, purchase intention acts as a predictor of actual consumer behavior (Permata et al., 2025). This study confirms that when price and brand image are aligned with consumer expectations, the likelihood of actual purchase increases. Thus, Oreo's marketing strategies must focus on enhancing both variables simultaneously. Overall, this study demonstrates that brand image remains the dominant driver of consumer purchase intention in the Oreo context, but its effectiveness depends on maintaining fair pricing and ensuring product accessibility. Companies that neglect either factor risk losing consumer interest, particularly in regions with increasing competition. The implications of this study extend beyond Oreo to other snack brands operating in similar markets. Strengthening brand image and maintaining competitive pricing are universally applicable strategies for sustaining consumer loyalty and purchase intention.

4. CONCLUSION

This study concludes that both price and brand image significantly influence consumer purchase intention of Oreo products at PT. Delada Cahaya Mas Agro Gunungsitoli. Price affects consumer perceptions of value, while brand image strengthens emotional and cognitive associations with the product. Together, these variables explain 47.6% of purchase intention variance. Therefore, the company should implement pricing strategies aligned with consumer value perceptions while continuously reinforcing brand image through innovative promotions and distribution improvements to regain consumer loyalty and competitiveness. The author would like to express sincere gratitude to Universitas Nias, the Faculty of Economics, and the Department of Management for their continuous academic support. Special appreciation is extended to research advisors, respondents, and PT. Delada Cahaya Mas Agro Gunungsitoli for providing valuable data and cooperation during this study. Finally, heartfelt thanks go to family, friends, and all individuals who contributed encouragement and assistance throughout the completion of this research.

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