

## CHAPTER 1 INTRODUCTION

### 1.1 Object Research

#### 1.1.1 Company Profile

PT Aqua Golden Mississippi or Aqua is a ready-to-drink bottled mineral water company, aqua is a pioneer of bottled mineral water in Indonesia, was founded in 1973 by Tirta Utomo, and owns its first factory in Bekasi, after operating for 48 years now aqua operates 21 factories spread across Java, Bali, Sulawesi, and Sumatra. Aqua, which was previously owned by PT Tirta Investigate in 1998, elected to join the Danone group, which is the world's largest bottled water firm and a nutrition expert.



Figure 1.1 Aqua Logo

Source : (Aqua.co.id, 2019)

These decisions influence the improvement of product quality, market share, and the implementation of the most advanced water packaging technology.. Under the DANONE-AQUA banner, AQUA now has more than 1,000,000 distribution points that can be accessed by its customers throughout Indonesia. (*Aqua.Com*, 2020)

The first product that was released in 1974 was the 950 ml glass bottle Aqua. 1974 until 1978 was the most difficult period for aqua companies due to the low public demand for mineral water products in the Aqua brand packaging. With various efforts and hard work, Aqua began to be known to the public by marketing aqua in small shops by distributing 3 free bottles per store, from where the aqua company saw the market process that was happening. the result of the process received a positive response, the

demand for aqua increased from the one distributed free of charge and then charged. Initially, Aqua products were intended for the upper-middle class, both offices and households, and restaurants.

However, when various types of new packaging 220ml, 500ml, 1500ml, from plastic packaging began to be produced in 1981, Aqua products could be affordable by the wider community. Aqua comes from mountain water sources in Indonesia whose selection was obtained for more than 1 year of research. Aqua has a mission to inspire Indonesians about healthy hydration.

Aqua offers several sizes of hygienic plastic bottle packaging with sizes of 330 ml, 450 ml, 600 ml, 750 ml, and 1500 ml as well as plastic cup packaging sizes 240 ml and gallon packaging 19 liters

### **1.1.2 Vision And Mission Aqua**

Vision and mission PT. Aqua Golden Mississippi is “Inspiring Indonesians for Healthier Hydration”

### **1.1.3 Awards and Achievements**

Aqua has received several awards and achievements during its business career which have made it the largest mineral water in Indonesia to grow very rapidly with high consistency and dedication to continue to innovate in providing the best service (*Aqua.Com*, 2020) such as following:

1. AQUA is covered within the "BrandZ pinnacle 50 maximum precious Indonesian logo" and obtained the identify "The most famous emblem from WPP and Kantar Millward Brown 2018
2. Halal Award – Halal top emblem 2018 for the class of Bottled drinking Water from the Institute for the evaluation of meals, capsules and Cosmetics, the Indonesian Ulema Council (LPPOM MUI), and the Ministry of religion of the Republic of Indonesia.
3. application of the year Award from blend magazine for pleasant of the quality Media members of the family 2018, nice of the fine Social application 2018, The best advertising and marketing PR software 2018, and The first-rate creative PR application 2018.

4. The 2018 main ProKlim Award to the Danone-AQUA Wonosobo factory for the Cengkul Vegetable Tourism Village, Blederan.
5. The Danone-AQUA Klaten factory received the Padmamitra Award for the Disabled category from the CSR forum – Social Welfare and the Ministry of Social Affairs.
6. The Governor of west java appreciates the 7 Danone- AQUA factories in West Java (Citereup, Bekasi, Mekarsari, Ciherang, Babakan Pari, Cianjur, and Suban) for the CRS packages performed in West Java 2018.
7. Danone-AQUA turned into offered B-Corp certification in 2018, the highest degree of social and environmental performance, openness, and obligation.
8. Danone-AQUA earned two crucial honors, which include the 2019 Indonesia maximum chosen logo and BrandZ's pinnacle 50 maximum precious Indonesian manufacturers.
9. The AQUA.co.id internet site won the high-quality corporate internet site within the 2019 Perhumas Excellence Award class.
10. inexperienced proper Award for 8 Danone-AQUA factories from the Ministry of surroundings and Forestry of the Republic of Indonesia in 2020.

## **1.2 Research Background**

The source of human life comes from water, mineral water plays an important role for the human body, in addition to eliminating the thirst for mineral water can prevent us from diseases. Having a lot of activities outside the home causes us to have enough energy for daily life. That's where the role of water is needed. (*Aqua.Com*, 2020)

Water is the content of most of the human body, therefore the mineral water industry has a growing volume every year and the bottled drinking water industry is still prospective. Along with the growing population and increasingly difficult access to clean water, the bottled water industry has increased. ready-to-drink mineral water is one of the biggest contributors in RTD (ready to drink) beverage, besides being able to be served for all ages, bottled mineral water makes people who are traveling have sufficient mineral reserves, with the existence of hygienic packaged mineral water, consumers do not have to bother to wash the pack after drinking water, consumers just need to throw off the packaging into the trash.

Recognizing the growing demand for water, numerous companies are striving to create the highest quality water. The government establishes laws to assure the quality of bottled drinking water that is suitable for sale and consumption. Several are odourless, tasteless, and colourless, contain no hazardous germs, and are free of metals. According to the Minister of Health's Decree No. 907 of 2002, drinking water that has been treated or that has not been treated meets health requirements and can be consumed directly. Additionally, bottled drinking water must comply with the Indonesian National Standard (SNI), which is administered by the Ministry of Industry, and must have been tested by the Food and Drug Supervisory Agency.

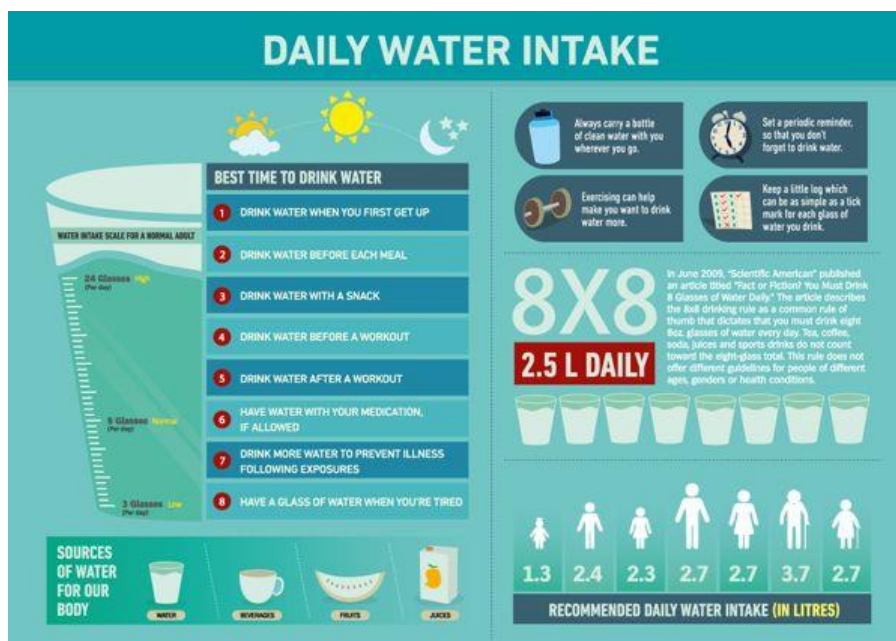


Figure 1.2 Requirements for Drinkable Water

Source : (behance.net, 2012)

The bottled mineral water market in Indonesia is ranked as the tenth most popular bottled drinking water consuming country, the bottled drink market in Indonesia is very large, reaching 11.8 million US. Dollars in 2020, up about 2 percent from the 2020s 10.7 million US Dollars. bottled mineral water leads the market for packaged drinks in Indonesia. (Statista.Com, 2021)

the aqua company has a tagline in its company based on (aqua.com) namely aqua is mineral water from the mountains that is protected without being processed without being integrated without being touched by human hands, the purity of aqua mineral water is very well maintained, bottle cap technology maintains the purity of mineral water so that mineral water packaging Aqua is very clean

Bottled mineral water is now very easy to find, from roadside stalls, mini markets, supermarkets to malls. can be repurchased by everyone regardless of age, gender, and life background. Bottled mineral water has many brands in Indonesia that are certainly not foreign to hear, such as Aqua, Nestle, Ades, Le Mineral, Pristine, and others. Also, the price of bottled mineral water for every brand is different. Here is the market share chart of bottled mineral water in Indonesia with existing brands can be explained in the chart below:

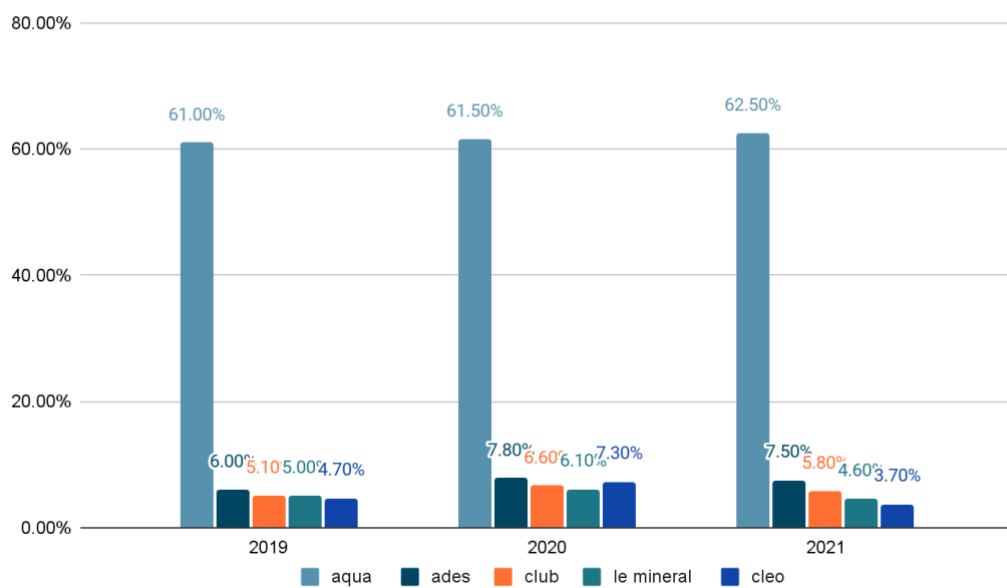


Figure 1.3 Bottled Mineral Water Market Leader

Source: (*Topbrand-Award.Com*, 2021)

Based on Table 1.2, it can be seen that sales of mineral water in Aqua bottles remain at the top of the top brands. in 2019 with a percentage of 61.0% then in 2020, with a percentage of 61.50%, and in 2021 Aqua Mineral Water with a percentage of 62.50% this shows an increase in sales every year. This means that the products offered by the company can be well received and used by consumers. If we look at the table, mineral water in aqua packaging remains at its peak and every year its products have increased sales.

According to (Philip & Amstron, 2017) Price is an amount of cash charged for items or offerings or the quantity of cash exchanged among clients for the blessings of proudly owning or the usage of the product or offerings. To set the rate of a product,

the employer needs to be capable of regulating the rate except for the product to be provided, due to the fact whilst the rate provided is following the exceptional of the product, there may be excessive customer hobby in making purchases.

Every brand has its price for each bottle, here is the comparison for the price:

Table 1.1 Price of Aqua Mineral Water

Brand	Price
Club Mineral Water 330 ml	Rp. 1,400
Club Mineral Water 600 ml	Rp. 1,980
Club Mineral Water 1500 ml	Rp. 2,400
Cleo Mineral Water 220 ml	Rp. 1,300
Cleo Mineral Water 330 ml	Rp. 2,060
Cleo Mineral Water 550 ml	Rp. 2.900
Cleo Mineral Water 1500 ml	Rp. 5,000
Le Mineral 330 ml	Rp. 2,400
Le Mineral 600 ml	Rp. 2,750
Le Mineral 1500 ml	Rp. 5,400
Ades Mineral Water 600 ml	Rp. 3,400
Ades Mineral Water 1500 ml	Rp. 5,800
Aqua Mineral Water 330 ml	Rp. 2,800
Aqua Mineral Water Kids Click & Go 450 ml	Rp. 5,200
Aqua Mineral Water 600 ml	Rp. 3,500
Aqua Mineral Water Click & Go 750 ml	Rp. 6,200

Aqua Mineral Water Recycle Bottle 1100 ml	Rp. 8,200
Aqua Mineral Water 1500 ml	Rp. 6,200

Source: (*Klik Indomaret*, n.d.)

From table 1.1, we can see Aqua is more expensive if compared with the other brand. Aqua mineral water is not the cheapest price and on the highest price table, Aqua Mineral Water's price is the most expensive than the other brands.

Aqua is one of the bottled mineral waters in Indonesia produced by PT Aqua Golden Mississippi. In mid-2020, calls for a boycott of French products were echoed in various parts of the world, this happened after French President Emmanuel Macron supported a teacher who displayed a caricature of the Prophet Muhammad and called it 'freedom of expression'. He considers Islam is experiencing a crisis around the world. Indonesia is one of the countries calling for a boycott of French products. One of the items affected by the boycott is the Danone Aqua bottled mineral water drink (*Detik.Com*, 2020). But in Indonesia itself for 2020 until 2021, mineral water aqua remains ranked first on the Top Brand Index in the bottled mineral water category. Although the price is fairly more expensive than other brands. Based on this phenomenon, Before repurchasing drinking water in aqua products, it is essential to understand how the company's brand image and product price affect customers' buying decisions. Based on the explanation above, The title taken in this mini thesis **"THE INFLUENCE OF BRAND IMAGE AND PRODUCT PRICE TOWARDS BOTTLED MINERAL WATER REPURCHASE DECISION (A STUDY ON AQUA CUSTOMER IN INDONESIA)"**

### 1.3 Problem Statement

There are many kinds of packaged mineral water on the market today, including Aqua, Le Mineral, Cleo and Ades, and so on. Of these various brands, one of the bottled mineral water brands that will be investigated is Aqua. Aqua is one of the most popular mineral drinking water brands in Indonesia. For the past 3 years, aqua drinking water products have remained in the first rank of the Top Brand Index for the bottled mineral water product category from 2019 to 2021 (*Topbrand-Award.Com*, 2021). However,

the price of aqua mineral water is more expensive than other brands of mineral water (*Klik Indomaret*, n.d.).

The importance of brand image for companies cannot be denied, because the brand image can have an impact on repurchasing decisions. To meet the needs of the company, the company must have a good brand image to consumers. One way to improve repurchasing decisions while increasing consumer demand is that price is one of the marketing mix factors.

the aqua company has a tagline in its company based on (aqua.com) namely aqua is mineral water from the mountains that is protected without being processed without being integrated without being touched by human hands, the purity of aqua mineral water is very well maintained, bottle cap technology maintains the purity of mineral water so that mineral water packaging Aqua is very clean.

Based on the results of the research presented in the research background, the Aqua brand image from mid-2020 has issues that do not apply to the Aqua company, so at that time Aqua products were boycotted in the Indonesian market. the price of aqua mineral water is more expensive than other brands of mineral water based on the top brand index group. it is necessary to do research to determine the effect of brand image and product price on repurchasing decisions of aqua mineral water.

#### **1.4 Research Question**

The question in this study are :

1. How is the brand image of Aqua products based on consumer opinion in Indonesia?
2. How is the price of Aqua products based on consumer opinion in Indonesia?
3. Does the brand image affect the repurchase decision of Aqua products?
4. Does the price of the product affect the repurchasing decision of Aqua products?



## **1.5 Research Objective**

The purpose of this study is:

1. To find out the brand image of Aqua products based on consumer opinion in Indonesia
2. To find out the price of Aqua products based on consumer opinion in Indonesia
3. To determine the effect of brand image on repurchasing decisions for Aqua products in Indonesia.
4. To determine the effect of product prices on repurchasing decisions for Aqua products in Indonesia.

## **1.6 Systematic Of Writing**

The writing structure will give an overview of what the researcher will do. The systematics of writing is developed as follows:

### **A. CHAPTER I INTRODUCTION**

This chapter confers the background, problem statement, research objectives, and systematics of writing.

### **B. CHAPTER II THEORETICAL BACKGROUND**

This chapter is about theories and the descriptions related to the research as well as the previous study.

### **C. CHAPTER III RESEARCH METHODOLOGY**

This chapter confers a type of research, operational variable, research stages, research approach, and data analysis method.

### **D. CHAPTER IV RESEARCH RESULT AND STUDY**

This chapter is about the result of research in chapter III, and how the data that has been gathered and obtained is analysed

### **E. CHAPTER V CONCLUSION AND RECOMMENDATION**

This final chapter is about the conclusion obtained from all the data processing and data analysis that can help as a practical guideline and recommendation for the company, for readers, and for further research in the future.